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An important item regarding the FIRST BANK IN THE UNITED STATES containing the protests against the annulling of the charter of the bank, with the discussion of the same in the Pennsylvania Assembly.

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DEBATES and PROCEEDINGS

OF THE

GENERAL ASSEMBLY

OF

PENNSYLVANIA,

ON THE MEMORIALS PRAYING A REPEAL
OR SUSPENSION OF THE LAW ANNUL-
LING THE CHARTER OF THE BANK.

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MATHEW CAREY, EDITOR.
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PHILADELPHIA:

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M.DCC.LXXXVI.

TO his EXCELLENCY BENJAMIN FRANKLIN,
PRESIDENT of the COMMONWEALTH of
PENNSYLVANIA, L. L. D. &c. &c.

HONOURED SIR,

PERMIT me to dedicate to you these *primitie* or
first fruits of the eloquence of a commonwealth
which your fostering hand has happily conducted from
childhood to maturity.

These debates afford a pleasing prospect that Penn-
sylvania will, in process of time, behold her senate
adorned with orators not inferior, perhaps, to those
boasts of antiquity—Demosthenes, Isocrates, Cicero,
&c. &c.

Your celebrity as a philosopher—a statesman—and
(a higher title than either) a citizen of the world,
would receive no addition from the most elaborate eu-
logium I could write. I shall forbear, therefore, to
tread the beaten track of dedicators; and shall rest con-
tent with uniting my sincere wishes with those of your
admiring and grateful countrymen, that every felici-
ty which heaven bestows upon the most favoured of
the human race, may await you while you abide in
this terrestrial habitation—and that your memory
may be revered and cherished by the friends of science
---of liberty---and benevolence, till time shall cease
to be.

I am, sir, with due esteem,

Your most obedient humble servant,

MATHEW CAREY.

Philadelphia, April 20, 1786.

P R E F A C E.

IN the following debates, the same arguments frequently occur twice, and, in some few instances, perhaps a third or fourth time. The editor anticipates a question which will, doubtless, be asked by most of the readers, viz. "Why, in those cases, he has not rested satisfied with the first statement, and omitted the others?" To this he answers, that when introduced again in the manner above mentioned, they are mostly considered in a different point of view, and some new lights thrown upon them. Moreover, the importance of the subject inspired him with a desire of laying the debates before the public in as ample a manner as possible. Still further: If he had suppressed any part of the members' speeches, he would have subjected himself to the charge of partiality, which he has studiously endeavoured to avoid.

It will be remarked, that the answers to some of the arguments, state them differently from what they appear in the original speeches. This has sometimes arisen from one member mistaking the meaning of another: sometimes, the fault lies with the editor.

As to omissions, he must be chargeable with them in various places. He does not understand short hand, without which it is utterly impossible to keep pace with a speaker, unless he delivers himself very leisurely. However, he flatters himself that very few of the material arguments on either side, have escaped him.

Whatever may be the defects or imperfections of the pamphlet, they will, he trusts, be readily excused, when it is considered that his chief object has been to contribute to the information of the public, on a subject of as great magnitude, perhaps, as any agitated in this state since the revolution.

Philadelphia, April 20, 1786

To

Debates and Proceedings, &c.

General Assembly of Pennsylvania.

Friday, March 3, 1786, A. M.

A memorial signed by 624 inhabitants of the city and liberties of Philadelphia, was presented to the chair, and read as follows:

To the honourable the representatives of the freemen of the commonwealth of Pennsylvania, in general assembly met,

IMRESSED with a just sense of the inestimable blessing of freedom, and considering, as we ought, that an impartial administration of justice is the fundamental principle of the constitution, and that the security of property, be it little or much, or to whoever it may belong, is one of the chief ends of government: we conceive it to be our bounden duty to watch over the conduct of those, whom our free suffrages, as a free people, have entrusted with the management of public affairs, so as at all times to guard against a remissness of duty, or a wanton or incautious exercise of power on their part.

Impressed, we say, with these ideas and principles, we are led to state to this honourable house, a matter, in which, as it appears on the printed minutes of the late house of assembly, there has not been that proper and impartial attention paid, which the principles of the constitution and the true end of government require.

The case we refer to is as follows:

On the 21st of March last, petitions from sundry inhabitants of Chester county were presented to the house and

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read.

read. Those petitions began by stating a number of charges and allegations against the bank of North America, but without making or offering proof or evidence of their being true; and praying that the charter of said bank may be repealed.

On the 23d in the morning, two other petitions to the same purport were presented and read for the first time, and read again for the second time on the same day: whereupon, on motion made and seconded, they were referred to a committee to enquire and report thereon.

We conceive it to be an indispenfible principle, whenever the property of any of the citizens of this commonwealth is to be affected by the charges and allegations of any man or number of men, that the charges and allegations shall be proved, and that the party so charged and accused shall be heard in its defence; and that it is a departure from the principles of the constitution, for the representatives of the people to take any such charges and allegations as matters of truth, without proof or evidence of their being so; and that for any house of assembly to proceed thereon, to the injury of the property of any of our fellow-citizens, without evidence had, and defence heard, is unconstitutional, and that no law so obtained or passed can be operative, because it is repugnant to the principles of justice and the constitution.

Your memorialists are deeply concerned to have occasion to observe, (and as citizens are deeply interested in the observation) that it does not appear, either from the report of the committee to whom the said petitions, charges, and allegations were committed, or from any other proceedings of the late house of assembly, that any enquiry was made, or any proof or evidence had or produced of the said charges and allegations being true; yet the said house proceeded to bring in a bill, which has in it the nature of a *sentence*, on the *supposed* truth of the said charges and allegations, instead of enquiring into and ascertaining them by proof and evidence—the title of which bill is, *An act to repeal an act of assembly, entitled, "An act to incorporate the subscribers to the bank of North America, &c."*

Your memorialists are further concerned to observe, that when the persons whose property was immediately to be affected by the passing this bill into a law, applied by petition to be heard in their defence, and, of consequence, against the said charges and allegations, on the *supposed* truth of which, the aforesaid bill was founded: the said house re-

fused to hear them, thereby denying them that right which every citizen of this commonwealth is entitled to.

Your memorialists find by the printed minutes of the late house, April 4th, that when the said bill was called up for a second reading, a motion was made by Mr. Pettit, and seconded by Mr. Willing, that the memorial of the president, directors, and company of the bank of North America, praying to be heard, be read; and on the question that the prayer of the said memorial be granted, it was negatived. See April 4th, page 284.

Your memorialists think it right to remark, that those proceedings of the late house, and of their committee, afford a strong presumption to many good citizens, that the charges and allegations against the bank are ill founded, and not true; and that other causes than those which have been assigned, are to be looked for, as the true causes for the vehement attack on the bank.

Your memorialists further find by the said printed minutes (April 4th, p. 284) that immediately after the said prayer, "to be heard," was rejected, the house went into the second reading of the said bill, without any enquiry into the truth of the charges and allegations aforesaid; and having finished the said second reading, the bill, as is usual, was ordered to be published for public consideration.

On this part of the proceedings, your memorialists conceive it their duty, as well as their right as citizens, to remark—

That the publishing the bill for the public to consider upon, without (the house) having first investigated the charges and allegations against the bank, which were the moving causes of the proceedings of the house, and on the *supposed* truth of which the said bill was founded, and without hearing the defence of the parties so charged and alleged against, was bringing the bill before the public in a very partial and incomplete manner; because it was leaving the public in the dark as to the truth or existence of the matters on which their consideration was to be exercised; and withholding from them the knowledge on which their judgment was to be formed. It was impossible the public could, by any consideration of theirs, determine or know, whether the matters charged on the bank were true or false. Consideration has no proper object to go upon, when applied to charges without evidence, and still less so when applied to a sentence, without having both the evidence and the defence.

The bill, then ordered to be published, had in it the nature of a sentence, and nothing can appear to us more inconsistent than the publishing a sentence for the consideration of the public, and for the purpose of obtaining the concurrence or opinion of the public thereon, and suppressing the matters on which that sentence is founded.

Your memorialists are much concerned to find such deviations from, if not direct violations of, the constitution; and that within so short a time after the late convention had pointed out defects of a similar nature in the conduct of former assemblies.

Your memorialists are further induced to observe—that on the question itself, respecting the repealing the charter of the bank, they feel themselves under some uneasy sensations and apprehensions. At any rate, it is breaking the word and promise of the state, publicly pledged but a short time before—a measure, which at first view holds out to the world a faithless disposition in Pennsylvania, and puts all kind of credit, public and private, on a precarious footing—a measure, of which the power to do it may be litigated, because it may be made a question, whether any law can warrant the doing an unlawful thing. Therefore the repealing a charter, being a step of the utmost delicacy and danger, requires to be gone into with the nicest care, and the most cautious and scrupulous investigation. If any causes can justify such proceeding, those causes ought to be made visible to the world, or our credit with the world is wounded, if not ended. For, who will trust a government that assumes the power of breaking its word, or will trust the individuals of a country that live under such a government? The paper money of one house may be voted down by the next; and the engagements of one assembly be superceded by its successors. It will be of little use to us afterwards, to say, that any number or party of the assembly, were the persons who did it. Those persons may be returned to the rank of private citizens, or departed the state, when the mischiefs they shall have occasioned, shall take place.

But your memorialists are distressed to observe, that instead of caution and investigation, instead of precision and deliberation, they find the business taken up on the slightest grounds, and conducted with a spirit of haste and precipitancy extremely ill-suited to the nature and importance of the subject.

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Your memorialists find by the printed minutes of the late house, that the petitions against the bank were read twice in the same day, referred to a committee to enquire and report thereon, and the report of that committee delivered in, not the very next day, but the day after,—That report read a first and second time, debated and resolved upon, and a second committee appointed to bring in a bill, and that bill brought in and read, and all this within the space of six days, viz. from the 23d to the 29th of March; for the truth of which we refer to the printed minutes of the house.

When we consider the extensive nature of the case, the variety of knowledge necessary to collect, to form a judgment upon, and the probable danger of such a proceeding to public and private credit, we must declare upon our own knowledge and opinion of the nature of the subject, that neither the time, nor the attention bestowed, was equal to the importance of it.

Your memorialists find, that the late house of assembly having neglected to enquire into the truth of the charges and allegations against the bank, and yet taken up these charges and allegations as true, refusing at the same time to grant the prayer of the proprietors of the bank to be heard in their defence, published the aforesaid bill, for, what is called, public consideration, and adjourned soon after to the 23d of August following.

As the said bill, during the recess of the house, was before the public in the imperfect state we have already mentioned, it was impossible for the public to form any judgment upon it, because the facts and matters on which they were to judge, were withheld from them, and therefore the publication of it could not answer the purposes intended by the constitution: But if any judgment is to be formed from the general elections which took place soon after the passing this bill, we may conclude it met with great disapprobation, because so many of the members who voted for it, have been displaced by their constituents; and we cannot doubt that as this darksome business comes to be better known, and more illuminated, and the true interest of Pennsylvania fuller understood, that a more extensive reprobation will take place; for it is natural that a free people should abhor the reproach of being a faithless one, and impossible they should countenance a measure which has the appearance of despotism.

Your memorialists find, that on the meeting of the late house for their last sitting, on the 23d of August, the president, directors and company of the bank of North-America,

renewed their application to the house for a hearing; and that a petition from eight persons, (signers to the petitions for repealing the charter of the bank) viz. James Pearson, Robert Smith, William Graham, John Barker, John Kling, George Leib, Levi Budd, and Frederick Heimberger, was likewise presented to the house, praying to be heard in support of their petitions, both which requests were complied with.

Your memorialists find by the minutes of the late house, page 356, that on the fifth of September, the day appointed by the house for a hearing, the president of the bank presented himself personally at the bar of the house, and likewise by counsel; but it does not appear from the said minutes, that any of the persons who had signed the petitions, charges and allegations against the bank, appeared personally to support and prove them; neither does it appear that they produced so much as a single evidence to prove what they had signed to, or attempted to prove it.

If therefore they have signed to charges and allegations which are not true, and the house have acted on those charges and allegations as if they were true, there is a manifest injury committed; and as reparation is due to the injured, as well as to the injured honor of the state, your memorialists confide that this hon. house will take such measures as may make the necessary reparation.

The charges and allegations on the part of the petitioners against the bank, not being attempted to be proved, the bank could only deny them; and we find by the minutes of the house, that the matter ended in a verbal litigation between a counsel on each side, instead of going into an investigation and proof of the charges advanced, on the supposed truth of which the house had acted.

On this part of the business, your memorialists think it necessary to observe, that the refusing the bank a hearing in the first stage of the business, before the bill was published for public consideration, and admitting the bank to a hearing at the very latter part of the session, was precluding the judgment of the public upon the case, because the publication of the bill, and the time for public consideration, was passed; and no new matter which any hearing at that time might produce, could have time or opportunity to be publicly known.

Had the hearing been before the second reading of the bill, and consequently before it was to be published for public consideration, which was the request the bank made, the public

public would then have known, that the petitioners against the bank had not proved their charges and allegations; and this would have been matter for the public to have exercised their consideration and judgment upon: but of this they were precluded by their representatives.

That the charges and allegations against the bank are ill-grounded and not true, is naturally to be inferred from their not being proved nor attempted to be proved—And that the prayer of the petitioners against the bank is founded on very ill and dangerous principles, subversive of the good of society, and of the fundamentals of the constitution, and of all true government, is best inferred from the prayer itself, which we here subjoin:

“Therefore,” say the petitioners, “in order to restore public confidence and private security, we pray, that a bill may be brought in, and passed into a law, for repealing the law for incorporating the bank.”—On which we remark, that nothing can be more dangerous in principle and practice, and more absurd and monstrous, than to pray that the government may break its word, in order to be the better believed and trusted, and violate the confidence already placed in it, in order that the people may place more: yet such is the exact prayer of their petition, for the truth of which we appeal to the printed minutes of the house, and likewise to the petition itself.

These are the subject matters which your memorialists have to lay before your honorable house; they are concerned there should be any occasion to do it, and still more concerned there should be so much. The watching over the conduct of the representatives is the proper duty of the citizens of a free country, and in presenting this memorial we discharge the duty incumbent on us.

We therefore pray your honorable house, that these matters may be taken into your most serious consideration, and that either the repealing law may be repealed, or a bill be brought in, to suspend the operation of it, until your honorable house can obtain full information on the subject.

And your memorialists, &c.

Ordered to lie on the table.

N. B. On different days afterwards, sundry similar memorials were presented to the house.

Wednesday,

Wednesday, March 15, 1786, A. M.
Read a second time, the memorials praying a repeal or suspension of the law, annulling the Charter of the bank.

Ordered, that they, together with the petitions against the bank, presented to the late house of Assembly, be referred to Messrs. Clymer, Robinson, Lilly, Rittenhouse, and Edgar, to report thereon.

Thursday, March 23, 1786, A. M.

Mr. Clymer, as Chairman of the above Committee, presented to the speaker the following report:

The Committee to whom were referred the memorials of the citizens of Philadelphia and other parts, setting forth the irregular and partial conduct of the late house of Assembly, in repealing the Charter of the bank of North-America, and praying for a restoration thereof, or a suspension of the repealing act,—report,

THAT the said memorials containing a statement of proceedings, adduced by the memorialists in support of their charges against the late house—your committee first had recourse to the printed minutes, and found the statement had been truly made.

That conceiving it more their duty to state facts than opinions, your committee, in order to obtain information as to the reality of the complaints alleged against the bank in certain petitions presented to the late house, applied to Mr. Whitehill and Mr. Smilie, members of a committee appointed by that house to enquire therein, and on whose report a bill was brought in to repeal the said charter; and requested to know what were the enquiries they had made in consequence: but those gentlemen in answer to a question put to them, said, they had not called at the bank to make themselves acquainted with the nature of the transactions there; and your committee inferred generally from their conversation, that neither they, the said Mr. Whitehill and Mr. Smilie, nor any of their colleagues, had made any special or occasional enquiry whatever concerning the bank.

The memorials mentioning the names of eight persons who had stood forth as supporters of the petitions against the bank, four of them, viz. Messieurs James Pearson, Robert Smith, William Graham, and Frederick Heimberger, attending your committee in pursuance of notifications sent to them,

them, they the said four persons were questioned as to facts relating to the bank consistent with their own knowledge: but they declined satisfying your committee further than that they had not been at the bank to gain information.

The president and some of the directors of the bank also attending at the request of your committee, they affirmed that none of the members of the committee of the late house, or any of all the petitioners, had ever asked information at the bank concerning the conduct of that institution, or the nature of its transactions, though they the said president and directors had at all times been ready to give such information, and had invited free enquiry.

It will follow from this relation, that the report made to the late house, was grounded in general notions preconceived, or on the current popular opinions and speculations, without much consideration being bestowed on the special subject; and the same may at least be said of the petitions presented against the bank.

It will follow also that the house did not derive from either members of that committee, or the said petitioners, those clear lights which would have been necessary to their deliberations on so difficult and interesting a subject, and which from the instructions to their committee, they seem to have desired.

Your committee on examining further into the conduct of the late house, in this transaction, could not but discover, in some instances, a spirit little suited to the transient and accountable representatives of a free people. In an early stage of the business, and when only it could have had its use, the bank was denied a hearing: and when at a later stage, it was yielded to the repeated instances of its president and directors, the permission was qualified with this remark, “that it must be considered as a matter of favour and not of right.” But the favour became nugatory through the application of a rule of order, which, obliging the council for the bank to speak before the council for the petitioners, left him to combat in the dark against possible charges and conjectural imputations. True it is, he was suffered to make a reply to the adverse counsel, but within a time so limited by the house, as could scarcely be sufficient for preparation in any petty cause in the ordinary courts.

Thus confining themselves to facts and to reflections naturally arising from them, your committee conceive the conduct of the late house, in the instance of the bank, to be of most

most dangerous example. In their precipitancy, they broke through the procrastinating forms of proceeding, which were fixed as fences against the sudden violences of power. And in their partiality they appear to have manifested a pre-determination to condemn.

Your committee beg leave to remark on some circumstances attending the memorials presented to this house, which ought to have considerable weight in their present deliberations. The subscribers to these memorials are so numerous as to bespeak the general sense of the community. In them are included the most respectable characters amongst us; men who, from their intercourse and condition in life, must be supposed best experienced in the effects, good or bad, produced by the operations of the bank, and from general knowledge most intelligent in the nature of such institutions.

As the proceedings of the late house in the case of the bank, thus appear with all the marks of precipitancy, prejudice and partiality, the annulling act has its foundation deeply laid in injustice, and remains a reproach both to the government and to the people. But your committee trusting in the wisdom and probity of the present house, to restore to the state its lost honour, submit the following resolution:

That a special committee be appointed to prepare and bring in a bill to repeal an act, entitled, "An act to repeal an act of assembly, entitled, An act to incorporate the subscribers to the bank of North America, also one other act, entitled, An act for preventing and punishing the counterfeiting of the common seal, bank bills and bank notes of the president, directors, and company of the bank of North America, and for other purposes therein mentioned."

GEO. CLYMER.

WM. ROBINSON, junr.

JOSEPH LILLY.

Read, and ordered to lie on the table.

Ordered that Wednesday next be assigned for the second reading of the above report.

Wednesday,

Wednesday, March 29, 1786, A. M.

A GREEABLY to the order of the day, took up for a second reading, the report of the committee to whom were referred the memorials praying a repeal or suspension of the law for annulling the charter of the bank.

Mr. R. Morris having enquired the number of signers to the petitions presented to the late house of assembly relative to the bank, and to the memorials in favour of the bank, presented to the present house, they appeared as follow:

Petitions against the bank presented to the late house, signed by 1199 persons.

Petitions in favour of the bank, presented to the late house signed by 608 persons, of whom 516 were of the city of Philadelphia.

Memorials in favour of the bank presented to the present house, signed by 2947 persons.

The report being read,

Mr. Robinson addressed himself to the speaker as follows: In discussing the present question, two principal considerations arise: first, by what authority a legislature can dissolve a charter solemnly granted to any institution: and secondly, the utility or the bad consequences of the particular institution. I shall not go into both. As a member of the committee who have made the report before the house, I shall explain the ground of their proceeding, and shall consider but one of those points; the power to dissolve a charter. The committee formed their conclusions from a conviction that the legislature has not that power. To decide this, two questions arise. In what capacity the legislature acts in granting charters of incorporation? And in what capacity in taking them away? In granting charters the legislature acts in a ministerial capacity. In this proposition I am supported by the constitution. The ninth section of the frame of government states—that the assembly "shall sit on their own adjournments; prepare bills and enact them into laws; judge of the elections and qualifications of their own members: they may expel a member, but not a second time for the same cause; they may administer oaths or affirmations on the examinations of witnesses; redress grievances; impeach state criminals; grant charters of incorporation; constitute towns, boroughs, and counties." All these, differing

fering in themselves, are acts of the legislature. Some are for preparing general regulations, which extend to all the state; these are laws. They judge of the qualifications of their own members. Their sentence is not a law.—Their granting charters is an act of agency—in which they have a power to act for the community, whose agents they are appointed. This is totally distinct from the power of making laws, and it is a novel doctrine in Pennsylvania that they can abrogate those charters so solemnly granted. There is this grand distinction between laws and charters of incorporation granted by the legislature.—The first are general rules, which extend to the whole community—the second bestow particular privileges upon a certain number of people. It is unnecessary to dwell long upon this matter, as I propose merely to trace the ground of the proceedings of the committee. The second question which offers itself to us, is, in what capacity the legislature acts in taking away a charter? In this they act judicially. They hear the cause, and determine on its merits. Now this exceeds their powers. They are not authorized by the constitution to act in a judicial capacity, but so far as regards the qualifications of their own members—and in some few other matters, so as to preserve themselves from insult—such as in case of disturbances in the house; for they could not secure themselves from insult, if they could not take cognizance of the matter immediately. These are their only judicial powers. They are not competent to decisions in cases of property. Charters are a species of property. When they are obtained, they are of value. Their forfeiture belongs solely to the courts of justice. The constitution says, “that in controversies respecting property, the party shall have a trial by jury.” But the late house stepped between the president and directors of the bank, and their rights, and deprived them of the legal mode of trial. In this an essential injury has been done them. The house presumed upon its own power, and that it must be obeyed—and upon the weakness of the other party. Let no man say, that tyranny cannot exist in a large assembly. It may become a many-headed hydra, as fond of power as individuals. It is not the nature of mankind to give up what power they possess. They are fond of keeping, and even sometimes of exceeding it. With even the best intentions, a legislature may go beyond the proper bounds, and be deceived into an opinion of possessing powers they never were vested with. In a free government like ours, it is particu-

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larly incumbent on us to prevent the attempts of an exorbitant power. The constitution has set bounds to the power of the legislature, and said, “thus far shalt thou go, and no farther.” Unless they break the original and fundamental principles of the constitution, they cannot pretend to a power of taking away charters. Perhaps it will be said, with Blackstone, that charters of incorporation may be forfeited by an act of parliament or of assembly. He holds the power of an act of parliament to be unbounded. But though this might be his opinion, it does not follow that it is just: far otherwise. The more easy it is to make it obeyed, the more caution is necessary to avoid injustice. Most common law writers before Blackstone appear of a different opinion, by their silence respecting this method. And even he appears to imply, it was power not right that did it. The only modes, therefore, by which charters can be vacated, are: 1st. by death of the members of the corporation—2dly, by resignation of right—and 3dly, by forfeiture in the courts of justice. As to the first, nothing is necessary to be said. The second is voluntary, and a species of legal suicide. And the third is the only legal mode in which charters can be taken away in this country. The principles of our constitution are materially different from those of the British constitution.—Here they are clearly defined. In Great Britain, an act of parliament has all the force of the constitution. In this country, the different species of power are distributed to different bodies. If the original principles be broken, by one branch of government passing beyond the bounds which separate it from the other, liberty cannot long exist.

What is the manner of enquiry on trials, in the courts of justice? The evidences are brought, and the parties are present to examine them. Has this been the case with the bank? Had the parties interested in that institution, an opportunity to examine the evidence against them? No. Charges were brought, but no evidence to support them. The charges might be true, or might not. But as the necessary forms were not observed, it follows that there was a sentence given without any proof being made. The ninth section of the bill of rights declares, that a man charged with any crime, shall be heard by himself and counsel. Yet when the president and directors of the bank requested to be heard by counsel, in an early stage of the bill, they were refused: and when at length it was granted, it was declared a matter

matter of favour—not of right. True, if the house, when it acts in a legislative capacity, hears counsel, it may be said to be a matter of favour. But when it assumed the power of acting in a judicial capacity, it was a matter of indispensable right that the parties should be heard. The act of assembly relative to the bank, carries with it all the consequences of an act of attainder—and awards a sentence, without hearing whether the charter was forfeited or not. From all these considerations, it fully appears that the house of assembly had not such judicial powers as would be competent to decide on the case of the bank: and even if they had, their proceedings were not conducted with the regularity or order requisite. These were the inducements on which the committee framed their report—and these inducements will, I hope, be sufficient to make the house agree to it.

Mr. Lollar said, when the gentleman rose, he expected he meant, as one of the committee, to explain to the house their reasons for making such a report. But he had not done it to his satisfaction, and therefore he should make a few observations: one in particular on the report. Had the committee confined themselves to the memorials, without casting any reflections on the late assembly, they would have acted much better than they had done. But their report as it stood, was a declaration of war against the late house, and daring to the combat all such of its members as were in the present. If he had gone about to cast reflections, it should have been on the assembly that granted the charter, not on the assembly that took it away. It was not founded in justice. But the house which granted it, entertained no idea of its being for a perpetuity, or of its being out of the power of the assembly to alter or new model it, as they might see fit. In support of this, Mr. Lollar quoted the minutes of that house, where it appeared that a clause had been introduced as a rider to the bill, for the purpose of empowering the assembly that should sit in 1789, to alter or amend the charter, as might be necessary. This was rejected by 27 to 24; and the express reason assigned for the rejection, was, that the charter of the bank must necessarily be always within the power of the house. Mr. Lollar then said, that a law whereby the corporation had an unlimited succession, was unjust—and the annulling it highly proper. Thus matters were brought on the broad bottom of equality. The Charter was moreover unjust, as the state had got no equivalent for the advantages it had bestowed: and civilians held that in all contracts,

contracts, unless there was an equivalent received for what was given, the bargain or agreement was void in itself, and incomplete. The only consideration received from the bank, was, that it facilitated commerce. This in the present situation of the affairs of the state, was against it: as it was an engine of trade that enabled the merchants to import more goods than were necessary, or than there was money to pay for. This was clearly disadvantageous. The learned counsel, who had pleaded the cause of the bank, before the late assembly, had candidly and ingenuously admitted, that when the balance of trade was against a country, a bank was injurious. Mr. Lollar then quoted the petitions presented to the late house against the bank, in these words: “the directors of the bank are enabled to give such preferences in trade, by advances of money to their particular favourites, when most needed, as to destroy that equality which ought to take place in a commercial country.” He said these words were so plain, it was not necessary to say any more on that part of the ill consequences resulting from the bank. He did not mean to speak disrespectfully of the present directors—any others in their situation, he believed, would do as they did. He begged the attention of the house to another matter: under the old government, when there were people in the management of affairs as wise or perhaps wiser than those since, no idea had been ever entertained of a bank. Now if it would be a means of keeping the cash in the country, as had been stated, it was strange it had escaped their observation. But the best way of promoting the good of this country, that had ever yet been found out, was by paper money, emitted through the medium of a loan office. Of this governor Pownall had spoken in the following terms: “I will venture to say, that there never was a wiser or a better measure, never one better calculated to serve the uses of an increasing country; that there never was a measure more steadily pursued, or more faithfully executed, for forty years together, than the Loan-office in Pennsylvania, formed and administered by the assembly of that province.” After all expedients should be tried, that would be found the only effectual one. He said, that by means of a bank the European merchants were enabled to procure and carry off money for their goods: and to fix the payment thereof upon the purchasers in that hasty manner which the rules of the bank required, the baneful effects of which had been seen and felt in and about the city.—Whereas if it were

not in existence, they would be obliged to take produce in exchange for them. He hoped the report would be rejected. As a free citizen, he felt himself interested in the matter. He should, in his opinion, betray the trust reposed in him, and act against the dictates of his conscience, if he voted for it.

Mr. Clymer said, if the gentleman had considered the matter properly, he would not have thought an explanation requisite of the reasons of the committee, further than was given in the report. He would find that there was a close connection between the beginning and end of it. In the first part, it was stated, that the memorials had set forth the mode of proceeding adopted by the late house; it was further stated, that the committee having made the necessary enquiries, had found that the mode of proceeding so set forth, was confirmed by the minutes of the late house. There was, therefore, no necessity for the committee to go into a recapitulation of what was so fully stated in the memorials, which were the ground of their proceedings. The report was sufficiently long already.

Mr. Fitzsimons. I was not a member of the committee who made the report now before the house, and esteem myself no further bound to advocate it, than as it coincides with my own sentiments. I am of opinion, that the committee not only made a proper report, but paid a proper respect to the trust reposed in them by this house. They made enquiries into the statement given in the memorials—and the deductions naturally arising from the result of those enquiries, they laid before the house. As this question is of the utmost importance, not only to the interests of the citizens of Pennsylvania, but to the union in general, I could have wished it confined to a narrow ground, that it might be perfectly understood.—The memorials complain that the former house did not proceed with the deliberation necessary, not only in a case of such consequence as the present must be acknowledged, but in any case whatever. Whether the bank is beneficial or injurious, is not the question: but whether the former house had sufficient evidence to warrant their proceedings. What may be the opinion of other gentlemen, I do not know. Mine is, that they had not. This is the ground which I think we ought to confine our debates to. But it has already been deviated from: To prove that the former house had not the necessary evidence, we have only to recur to their minutes. By those, it appears that the attack on the bank originated by a petition from Chester county.

county. This petition stated what the petitioners thought injurious in the institution of the bank. Afterwards, other petitions of the same tendency were presented. The house, as in duty bound, referred those petitions to a committee, with directions to enquire into the allegations they contained, in the following words:

“Resolved, That the said petitions be referred to a committee, and that the committee be instructed to enquire whether the bank established at Philadelphia, be compatible with the public safety, and that equality which ought ever to prevail between the individuals of a republic, and to report thereon.”

So far the house did their duty. What was the further progress of this business? The committee so appointed made report. But did they in that report state that they had made the enquiry they were directed to make? Did they submit the circumstances that occurred in their enquiry, to the house? No, they did not. They therefore made themselves responsible for the consequences: and I wish their responsibility could be separated from that of the house. Their report contained no information for the house to deliberate upon: it contained merely opinions—and, if we may judge from circumstances, even those opinions were taken up on trust; for the report is drawn up in the hand-writing of a person not of that committee: and, so far as we can decide from similarity of hand-writing, by the same person who framed the petition from Chester county. This is the ground of the proceeding of the present house. If, therefore, it appears that the former house have tried and condemned the president and directors of the bank unheard, it is incumbent on the present house to abrogate their proceedings, and do justice to the injured. And that they did so, is now in proof before us.

As to the justice of the act, if it be introduced in the course of the debate, I shall endeavour to give my opinion on it. It is a serious thing for a legislature to deprive a body of people of their rights in any instance; but very serious, indeed, to deprive them unheard and untried. For the circumstances of this procedure we need only recur to the memorials—From them it will appear that the former house conducted itself with an informality, not only inconsistent with the principles of this government, but with the principles of any government that pretends to freedom.

This is not the first charter which has been taken away in this state. The charter of the college was taken away at

a former period. But in that case, it was pretended that the charter had been forfeited. Even this was not thought necessary with respect to the bank. If such be the progress of injustice, there is no telling where it will end. A gentleman has said the statement of the committee is a declaration of war against members of the late house who have seats in the present. But if speaking the truth be a declaration of war, I hope we shall ever have men in this house possessed of spirit sufficient to declare war in case of necessity. Had the committee been guilty of mis-stating the facts, or drawing wrong inferences from them, that would have been sufficient ground to criminate them: but this is not asserted.

It is not necessary to go into an enquiry whether or no the charter was granted improperly. That is not pretended in the repealing act. If the former house had thought that good ground, they would have taken it; as they did not, their advocates now cannot avail themselves of it.

It has been said that the charter is an estate entailed: this is not the fact. The property is constantly transferring: and I believe there has been no day since the establishment of the bank, but the gentlemen who have hazarded this assertion, might have purchased shares in the stock.

A gentleman who has spoken against the report, has told us, that the counsel who pleaded in favour of the bank before the late house, conceded that a bank was unfavourable to a nation when the balance of trade was against her. If the counsel made that concession, I will venture to assert, he was not warranted in so doing by his clients: and it will only serve to prove, that a gentleman may be not only eminent in his profession, but have great general knowledge, without being able to decide on all questions: for I, who have no pretensions to that gentleman's knowledge or ability, not only deny the fact, but undertake to prove that it is not well founded. The report of the committee of the late house carries a contradiction to this concession on the very face of it. It says the bank has a tendency to accumulate the wealth of the country in the hands of the stock-holders. I do not mean in this stage of the business to detain the house, by going into all the arguments that have been offered for and against the bank. As I set out upon a narrow ground, I shall so conclude.

My view in rising was to endeavour to confine the arguments to the report of the committee: but as I presume it will not be adhered to, I reserve to myself the right of answering

whatever may be offered in debate by the gentleman opposed to the resolution.

Mr. Smilie. I find myself on this occasion called upon, not only to defend my country, but to account for my own conduct. And here I beg it may be considered, that the gentlemen on the other side of this question, feel interested in it personally. Those gentlemen are to plead for themselves, and to defend their own cause: whereas we on this side have no private interest to serve on the occasion. In judging of our conduct, I hope respect will be had to that consideration.

I shall first make some remarks on the report of the committee, which is now the subject of our discussion. It is in this report stated, that I told the committee, (when asked a question relative to the information procured by the committee of the late house) that "I had not been at the bank to procure information." This I totally deny. I call upon the gentlemen of the committee for proofs of their assertion.

Mr. Clymer. I rise to affirm the truth of the assertion. Mr. Whitehill, when called upon, answered with much candour. Mr. Smilie was at first very coy and restiff. He declared he esteemed himself not bound to answer any of our questions, and should be prepared to give satisfaction to the house. But having asked him was he at the bank for information? he, upon my honour, answered, "No." Mr. Fitzsimons was present. I call upon that gentleman to declare what he heard.

Mr. Fitzsimons. I am sorry the time of the house should be taken up on so important an occasion, by so trifling a business. But since I find myself called upon, I must inform the house, that I was in the committee room on the day the president and directors of the bank were requested to attend by the committee. And Mr. Smilie being also there, was asked several questions. He said he could easily answer, but he did not esteem himself bound: he should be prepared to answer at a proper time. However, being at length asked, had he been at the bank for information, he declared, No.

Here Mr. Smilie called upon Messrs. Rittenhouse and Edgar, two members of the committee, who had been present at the time alluded to, to declare what had passed. They both said, that he [Mr. Smilie] would not answer any questions.

Mr. Clymer called upon Mr. Lilly, another member of the committee, whose declaration was similar to that of Mr. Fitzsimons.

Mr. Smilie. This matter cannot be accounted for but on the ground of different parties. Mr. Rittenhouse and Mr. Edgar refused to sign the report.

Mr. Clymer. It was read to those gentlemen: and it was their duty, as members of the committee, to point out wherein it was erroneous: but this they did not attempt to do.

Mr. Smilie. Setting aside this point, I shall now proceed to the consideration of the report. One paragraph of it is in these words:

“Your committee, in examining further into the conduct of the late house in this transaction, could not but discover, in some instances, a spirit little suited to the transient and accountable representatives of a free people. In an early stage of the business, and when only it could have had its use, the bank was denied a hearing: and when, at a later stage, it was yielded to the repeated instances of its president and directors, the permission was qualified with this remark, *That it must be considered as a matter of favour, and not of right.* But the favour became nugatory, through the application of a rule of order, which, obliging the counsel for the bank to speak before the counsel for the petitioners, left him to combat in the dark, against possible charges and conjectural imputations. True it is, he was suffered to make a reply to the adverse counsel, but within a time so limited by the house, as could scarcely be sufficient for preparation in any petty cause in the ordinary courts.”

This is one of the most groundless complaints I ever heard, viz. that the president and directors were not heard in the first instance. It was certainly in the discretion of the house whether to hear them on the report of the committee, or on the bill. And I believe it is the practice in England, never to hear petitions till after the second reading of bills; as, until then, it is not known what they may prove to be. This bill, of which we hear so much complaint made, was read the second time in the winter sessions, and then lay over till the fall, a period of nearly five months—was not that a sufficient time for the public to consider on it? Was not counsel then heard against it? Why then is it asserted that it had not a fair discussion? Some remarks have been made on the hearing having been granted not as a matter
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of right: but it will not be said that the constitution gives any such right to be heard before the house of assembly.

The report goes on to say: “Your committee beg leave to remark on some circumstances attending the memorials presented to this house, which ought to have considerable weight in their present deliberations. The subscribers to these memorials are so numerous as to bespeak the general sense of the community. In them are included the most respectable characters amongst us; men, who, from their intercourses and condition in life, must be supposed best experienced in the effects, good or bad, produced by the operations of the bank, and from general knowledge, most intelligent in the nature of such institutions.”

What is this great number of subscribers? Two thousand nine hundred and forty-seven. Can this number be said to speak the general sense of the community? The institution of the bank is advantageous to many of the subscribers—and their power and influence, and I believe the influence and terrors of the bank, have been exerted to procure subscribers to those memorials. They were fabricated in this city, prepared, printed, and sent down to the country. It is well known how easy a matter it is to procure signers in the country. We had, a few days since, petitions from Lancaster, Bucks, and Cumberland counties, against the extension of the market-house, procured by the influence of the persons interested against the measure in this city: this sufficiently accounts for the number of memorialists. But admitting that no such means were used, it cannot be said that they speak the general sense of the community. It is an assertion not founded in fact. The committee, indeed, saw the numbers were not sufficient, and they tried to make up the deficiency another way. They inform us, that “in them are included the most respectable characters amongst us.” This is holding out an aristocratical idea. “An honest man’s the noblest work of God.” A democratical government like ours, admits of no superiority. A virtuous man, be his situation what it may, is respectable. If we enquire what constitutes the respectability meant in the report, we shall very probably find it riches. They have more money than their neighbours, and are therefore more respectable.

The report continues: “As the proceedings of the late house, in the case of the bank, thus appear with all the marks of precipitancy, prejudice and partiality, the an-
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“ nulling act has its foundation deeply laid in injustice, and remains a reproach both to the government and to the people.”

Let us examine whether this act has its foundation laid in injustice. For this purpose, it is necessary to consider a little the subject of charters. I would observe, by the bye, that my worthy friend over the way, (Mr. Robinson) has been puzzling himself with Blackstone, which must ever be the case with any person who takes the negative side of the question. And here I will make this concession, that there are charters so sacred, that they cannot be revoked. But there is a material distinction between charters—and the opinions of many have been very wrong on that head. When once an error is taken up, men go on a long time in delusion. There are many things which we now consider as absurd, which were formerly venerated, for want of being properly considered.—The doctrine of hereditary right, which is now held odious, was once deemed sacred. There is a strong reason, why persons from Europe are so highly prejudiced in favour of charters. In the 12th and 13th centuries, Europe was in the lowest state of vassalage—the people were in some measure rooted to the soil, and sold with it. While affairs were in that situation, the kings and powerful barons granted charters of incorporation, to towns and cities, thereby exempting them from the common vassalage of the state, and bestowing on them particular immunities; thus giving them political existence. These charters were sacred, because they secured to the persons on whom they were bestowed, their natural rights and privileges. But there are, sir, charters of a very different nature. And here it is necessary to fix the point of distinction. Charters are rendered sacred, not because they are given by the assembly, or by the parliament—but by the objects for which they are given. If a charter is given in a favour of a monopoly, whereby the natural and legal rights of mankind are invaded, to benefit certain individuals, it would be a dangerous doctrine to hold that it could not be annulled. All the natural rights of the people, as far as is consistent with the welfare of mankind, are secured by the constitution. All charters granting exclusive rights, are a monopoly on the great charter of mankind. The happiness of the people is the first law.

It has been said, that the charges against the bank have not been properly proved. But those who recur to the report of the committee of the late house, will see that proofs were not wanting. A very slight reading of the report may convince

convince gentlemen that the committee were not appointed to see whether the president and directors had done their duty. The matter was taken up on a higher ground. The committee were directed to enquire whether or no the bank was compatible with the safety and welfare of the state. This, the house, as guardians of the rights and liberties of the people, had a right to examine into. Let us suppose for a moment the committee had not made the enquiry—was not the house at liberty to consider their report, and as they agreed in opinion with it, to pass the act recommended in that report? If the house had not that right, dreadful would be our situation indeed. Let us suppose a house of assembly so lost to all sense of their duty, and so corrupt, as to give a charter of monopoly to five men, of all our East India trade—to five others, of our trade to Europe—and to five more, of our trade to the West Indies—I grant that it is not likely that this will ever happen—but that is nothing to the point.—If one house, I say, is guilty of this mischief, and that the next that meets, beholding this monster in the face of the constitution, has not power to give redress, to what purpose are annual elections? Corrupt chartered boroughs in Great Britain have eaten up the spirit of the constitution. If the house cannot afford a remedy, the people must have recourse to the means God and nature have given them for redress. No good man can wish this to happen. I hope it never will. The right of the house to repeal charters was debated in the council of censors—and a member of that body, now in this house, and in favour of the bank, conceded the point of right in the legislature to revoke them.

I shall mention a case, which will shew that we are not the only people afraid of banks. In Ireland, in the year 1721, a bank was about to be established. It was held to be a surprising fine thing—But after the house of commons had maturely considered of the matter, they came to the following resolution: “ Resolved, that if any member of this house, or commoner of Ireland, shall presume to solicit, or endeavour to procure any grant, or to get the great seal put to any charter, for erecting a bank in this kingdom, contrary to the declared sense and resolution of this house, he shall incur their highest displeasure, and be deemed to act in contempt of the authority of this house, and an enemy to his country.”

[Here Mr. Smilie read an extract from the journals of the Irish house of commons, containing their proceedings on the above business, from its first introduction to its final rejection. He then proceeded as follows:]

If a bank was regarded so dangerous in a country, where there was a counterbalance to its influence, how much more so must it be here, where there is no such counterbalance?

The charter of the bank was not taken away for what the president and directors had done—they, I believe, acted as innocently as any others would have done in the same situation.—But it was taken away from a conviction of its dangerous tendency. We lately had a proposal to mortgage the revenues of the state to the bank—thus to get the state into its trammels.

A word or two with respect to paper money. The paper money of the state cannot exist with the bank. And the question is not—whether or no we shall have paper money—but who shall emit it—the bank or the state? If the bank emits it, it must have the profits. State paper money has been found of the utmost utility, in former times and lately. Had it not been for the last emission of it, the state could not have paid the public creditors. There were no other means; and a number of valuable citizens must have been unpaid their just demands. Considering the difficulties of government, no hesitation can remain in any man's mind, respecting the propriety of emitting paper. If the state is obliged to borrow, she must necessarily pay 6 per cent.—whereas, if she emits on loan, she gains 6 per cent. in her favour. All these advantages we must give up, if we restore that institution.

It is hardly necessary to mention the endeavours used to prevent the emission of paper money by the committee of merchants. These gentlemen must not take it amiss if we style them bankers—as I believe all of them are such. This was at a time of the greatest distress, when the cries of the public creditors were heard by every ear.

It has been said in the course of this debate, that the learned counsel in favour of the bank, conceded, that when the balance of trade is against a nation, a bank is injurious to it. A gentleman from the city has undertaken to deny that this is the case. But I believe that he will find it difficult to disprove it. His assertion controverts the general sense of mankind.

The operations of the bank are prejudicial in a point of view in which I have not yet considered them. They are a discouragement to agriculture, and to improvements in the city. From the establishment of the bank, interest rose from six per cent. to the enormous degree at which we see it at present.

present. Usury has been coeval with the bank. It was not known here before.

A man finds it much more to his advantage to lodge his cash in the bank, than to purchase with it lots, lands, or houses. The person who has those, finds it impossible to procure money at legal interest to improve them, and is therefore inclined to sell them—the same reason that inclines him to sell, deters others from purchasing—thus the value of lands, houses, &c. is depreciated.

The former house, considering all these things—considering that the bank stood in the way of paper money—considering that a loan-office and it could not exist together—considering that it was a bar to the improvement of the country, and to agriculture, thought themselves fully justified in taking away the charter. And it is equally our duty to leave matters in their present situation. The bank has not suffered. The stock-holders have gained enough—In one year they cleared sixteen and a half per cent. Why should we injure our country in favour of an institution, incompatible with the public welfare? I therefore hope the house will agree to let the bank rest where it is, and support the paper money of the state, from which so many advantages are derived.

On motion, ordered that the further consideration of the report be postponed.

Adjourned.

Thursday, March 30, 1786, A. M.

RESUMED the consideration of the report of the committee to whom were referred the memorials praying a repeal or suspension of the law annulling the charter of the bank.

Mr. Clymer. As I had the honour, mr. Speaker, to be a member of the committee who made the report now under the consideration of the house, I think myself bound to defend it from some important charges made against it. A gentleman [mr. Smilie] has given us to understand, that the committee proceeded a wrong way, when they stated that the committee of the late house should have made enquiries, which they did not. He seems to say, that the assembly, in the plenitude of their power, might pass the repealing act without any enquiries—but this is directly in opposition to the principles laid down by the late assembly themselves.

themselves. They expressly directed the committee to make enquiry, whether the bank was compatible with the welfare of the state. Have this inquest and presentment been held? No. The act, therefore, in the very preamble of it, carries a falsehood. What then becomes of the apologist of the proceedings of the late house? He ascribes to them greater powers than they pretend to. They said an enquiry was necessary. He says not. The committee having traced out that no enquiry had been made, and having found the proceedings of the late house, as well as of their committee, exceptionable, had a right, as freemen, to pass their judgment on them. I hope we shall always have men of sufficient spirit, to speak their sentiments freely of the highest authority in the state. For my own part, I have ever set my face against a tyrannical abuse of power; and in a protest in 1779, against the proceedings in the college business, I spoke my sentiments of the then house, of which I was a member, as freely as I have done in the report before you, of the late house.

I shall examine some of the principles whereon is founded the report of last year. Among the rest, is this, that the balance of trade is against us, and that therefore the bank must be injurious. This balance is the metaphysics of commerce, which few understand, and which serve no other purpose than to disturb the imagination. In England, Gee and Child wrote much on that subject. They pretended to demonstrate that the nation would be ruined by certain branches of trade. But as the nation grew richer and richer by them, nothing but experience could prove the fallacy of their arguments. It is a point, which from being so little understood, I cannot suppose made any impression on the committee themselves; though it had its use in the enumeration, as it swelled the evils attendant on the institution.

There are two other principles of more solidity laid down in the report: one is, that the bank may have a pernicious influence—Banks are the necessary appendages of a certain degree of commerce. Let us see what are the interests of commerce, and we shall then know how its influence, where it has any, will be pointed. It has, then, an evident interest in the general prosperity—in the security of property—and in the toleration of every man to pursue his own benefit in his own way, provided it be not incompatible with the public good. These are the objects which commerce and its banks would endeavour to accomplish, and they are certainly

tainly not pernicious. The early immunities and privileges bestowed on traders in modern Europe, after the extinction of the Roman empire, were the first seeds of any national liberty which followed. But a gentleman has produced the example of an entire nation opposed to the influence of banks—he has, however, greatly blundered at the application of this example. The Irish nation, in 1721, and many years after, was greatly dependent on England, both in its liberties and trade. In this situation, the establishment of a bank must have been attempted either by the English ministry, further to distress the trade of the country—and therefore opposed by the Irish patriots;—or attempted by those patriots, to relieve their trade from English oppression, and therefore opposed by the ministry. But the gentleman, when he told us this story, should have recollected the oath put to witnesses in the courts of justice—not only to tell the truth—but the whole truth. He should, therefore, have proceeded a little further, and informed us, that the Irish nation having, by a successful struggle about the year 1780, in which they were favoured by the American war, thrown off the yoke of British tyranny, and assumed a situation equal to that of England, they turned their first thoughts to the establishment of a public bank, as congenial with their then situation. Whether or no they have established it, I cannot say positively, having the story only from a newspaper writer, of the gentleman's own side. But this much is certain, that while Ireland was in a state of subjection, she rejected the idea of a bank—but when in our situation, she regarded it as advantageous. Thus this instance, on which the gentleman has dwelt with a great air of triumph, proves nothing in his favour.

Another principle laid down in the report of the committee of the late house, is the incompatibility of the bank and the paper money of government. On this occasion we have had an eulogium on paper money, from governor Pownall. But let it be considered that paper money is the offspring of credit and confidence, which this state was possessed of before the revolution. Under such circumstances, he spoke highly of its uses: but Pownall would have been both a knave and a madman to contend for it, when both credit and confidence were wanting. An argument has been here made use of, that we have emitted paper money with success. It is true we have made an experiment, and it has not failed. But let us stop here. I am confident that to attempt another

ther emission would destroy that already in circulation : and I would remark that it has owed some of its credit to the false calculations made upon the extent of our revenue. I hope it will maintain the degree of credit it possesses. There always have been, and always will be numbers of people in want of money : but if we go on making it, till every body cries hold, we shall reduce it from being equal to gold or silver, not to be equal to lead. Several states which have been wise enough to prohibit paper money among them, have by that means encreased their specie in a great degree.

To conclude : Banks are in general encouraged in all the commercial nations of Europe. And the more republican a country is—or at least the greater degree of liberty it possesses—the greater is the success of its banks. Why then shall our puny politicians pretend to oppose their speculations to the experience of Europe for ages ? A public bank affords many advantages. It on occasion gives aid to government—and security and convenience to individuals. Indeed a certain degree of commerce renders a bank so absolutely necessary, that if this public bank be destroyed, private banks will arise out of its ruins, 'till the demands of trade are satisfied. These will not be of such governmental utility, nor afford such private security. If the last house had this in contemplation, where was their wisdom ?—if not, where was their foresight ?

Mr. Woods spoke in favour of the report.

Mr. Fitzsimons said, he wished the debate had been confined to the report of the committee : not that he was apprehensive a general discussion would operate against the resolution recommended in the report : but he wished to take the statement as made by the committee, and examine whether it was founded or not. The gentlemen in opposition to it, did not choose to fight the battle upon that ground.

Here the Speaker declared, that having considered the question as of the greatest importance, he had been willing to allow the utmost latitude to gentlemen in the debate.

Mr. Smilie was sorry the speaker's conduct was called in question. There had been no just cause of complaint. It would have been extremely improper to confine the members to the report. The question should be taken up on the broadest ground.

Mr. Fitzsimons declared he had no idea of arraigning the conduct of the speaker ; nor did he mean to control any member in his manner of managing his arguments on the present

present question. He had only expressed his own wish that the debate had been confined within a narrower compass. He then proceeded thus :

I advocate the resolution recommended in the report, and shall continue so to do, on this principle, that the late house of assembly had not those lights, nor that information that could warrant their proceedings. This is the proper subject of debate : but the gentlemen on the other side of the question, know that it is not their strong ground. They therefore abandon it. Neither a corporation nor a citizen can be deprived of any rights without being heard : this is the ground of the resolution now under consideration. But since the gentlemen have wandered away from this point, I shall endeavour to follow them on the ground they have taken.

One gentleman set out with requesting the house to consider that the members on this side of the question are pleading their own cause : and that they are interested in the institution of the bank. I believe I am the only member in this house, who have a seat in the direction of the bank. But I submit to the house whether or no this observation is candid. I hope our votes and our conduct in this house will not be influenced by any partial interests which we may have in the institution, but by what, in our opinion and judgment, will have a tendency to promote the general good. I have had the honour to be one of the directors of the bank from the first institution of it—and I take upon me to say, that in no other situation whatever, could I have been so useful to my fellow-citizens.

In answer to the charge made against the late house, of their not hearing the president and directors of the bank on the first application, a gentleman has told us it was in their discretion whether to hear them or not. The discretion of the house is not easily defined. But I believe it will be admitted that it should be bounded by reason. And surely it is not consistent with reason or justice to condemn people unheard. I contend that the late assembly acted without either reason or justice.

In the course of this debate, many assertions have been hazarded, without proofs being brought in support of them. Among the number, is that respecting the terrors and influence of the bank having been exerted to procure signers to the memorials presented to this house in favor of that institution. If I were to affirm the contrary, the gentleman who made the assertion, would find it extremely difficult to bring any

any confirmation of it. I think I have good authority for saying that no such terror or influence was used. The signers in general are persons above influence or terror—of independent fortunes and situations.

The gentleman from Fayette county made a concession, which, I think, will operate much against him. He acknowledged that the charter of the bank was not repealed for any injury received from that institution—but from an apprehension of what might arise from it. If this be a sufficient ground to warrant the proceedings of the late house, I do not know what we may in time proceed to. The gentleman has argued much against granting monopolies. But how did he learn that the charter of the bank was a monopoly? He has hereby shewn his ignorance, or something worse.—The charter of that institution did not preclude any other persons from the establishment of another bank. There was therefore no monopoly.

Sufficient notice has already been taken of the gentleman's extract from the journals of the Irish house of commons. I shall, however, just remark, that there are in Ireland, many banks—some similar to that in this city—banks of discount, and banks of deposit. The little trade that country possesses, could not be carried on without banks.

Amongst the charges brought against the bank, is the proposal made by a member of this house to mortgage certain revenues of the state to that corporation. But as this proposal was made without the knowledge of the president and directors, no charge can justly lie against them on that account. I must confess I do not wish to see government attached to that institution. It is better to keep it for the benefit and promotion of trade and commerce.

The gentlemen who have spoken against the report, seem to think it necessary to introduce a popular topic, however little connection it has with the subject under debate. Paper money is spoken of largely. We are told that the paper money of the state cannot exist with the bank. Before they made this very bold assertion, they should have known the extent of the emission of bank paper: but I dare affirm they could not even form a guess at its circulation that would not expose them. I would hazard the proof of this. So much easier is it to make assertions, than to produce proofs.

Among the charges against the bank, in the report of last year, is the interference and threats to reprobate the paper money of the state. This charge is founded on the memorial

of the committee of merchants, presented to the house while the bill for emitting the paper money was pending. A gentleman has told us that he believes this committee to be all bankers. To what extent this may be founded in fact, I cannot immediately determine. But supposing it true, if, because they hold stock in the bank, they are to be precluded from giving their opinions on public measures, we are in a strange situation indeed. The crown of Great-Britain sometimes dismisses placemen, when they vote contrary to the court. But I did not expect to see a tyranny of this kind established in Pennsylvania.

Another argument I have heard alleged, is, that the officers of the bank were busy at the late election. If being connected in the bank, were to deprive a person of the right of canvassing for his friends, I believe no man would wish to hold a share. No principle can be more destructive to liberty than this.

The gentleman from Fayette county, has expressed surprise that I should differ in opinion, with respect to the balance of trade, from the learned counsel, who pleaded in favor of the bank before the late house. I do not make profession of a very extensive knowledge—but in matters of trade and commerce, I have had some experience, and do not usually commit myself without knowing the ground I stand upon. I should be glad to be informed how the bank can possibly facilitate the exportation of specie. It lends out money at short periods, at the end of which it must be repaid, or the borrower forfeits his credit. Sometimes, through tenderness, the credit is prolonged.—But how this can be said to facilitate a drain of specie, is a mystery to me. What must be the situation of the bank, if that were the consequence of the institution? It must eventually be drained, and if there were not money in the vaults, there must be an end of the bank, and a destruction of the charter, and of all persons concerned. But I assert, that it does not facilitate the export of specie.

The gentleman from Montgomery county (mr. Lollar) has made a curious observation—and many such have been made in the discussion of this business: he has said that the merchant abroad would not so easily procure cash for his goods, were it not for the bank. That the bank enables a man to pay his just debts, is a charge I never expected to hear brought against it in a legislative assembly. It can never be the interest of the state, that her credit should be lost. The support

of it tends to promote the advantage of every person in the country. Pennsylvania is at present, and has been since its settlement, indebted to Europe: and that very circumstance, singular as it may appear, has been highly beneficial. The capitals trusted by the Europeans to people here, have enabled them to build houses, and to improve the country. Can it then be proper to destroy that credit? Surely the legislature will never sanction such a measure.

I shall here mention a circumstance, which would have come in with more propriety in another part of my discourse. When gentlemen complain of the scarcity of money, and charge the bank with banishing the specie, they do not know or consider, that, of the stock of the bank, 360,000 dollars belong to inhabitants of others of the united states, or of Europe, and have been brought here merely by means of the bank. So that it clearly appears, that this institution, which has been so frequently and so unjustly charged with facilitating a drain of specie, has produced an effect directly the contrary.

The dangerous influence of the bank, is a topic much insisted on. This is a mere matter of speculation, which it is very difficult to reason upon. The stock-holders are about three hundred in number: they have different views and interests, and are of different parties in politics—it is not likely, therefore, they can ever join in any single measure. How, then, this so-much-dreaded influence can operate, it is not easy to conceive. I have already said that I am the only person in the direction of the bank, who have the honor to fill a seat in this house: and I should hope that if there were no such institution, my election might be otherwise accounted for.

Mr. R. Morris. After what has been offered by my colleagues against the report made by the committee last year, I expected the gentlemen of that committee would have risen, to vindicate it. But I find the contest is, who shall have the last word. I shall therefore alter the plan I proposed to follow in this debate, and endeavour to answer the objections which have been raised against the bank, before I proceed to the consideration of that report.

The first observation made by the gentleman from Fayette county, was, that we on this side the question, are pleading the cause of our own interest. This I consider as an appeal to the feelings of the members, and a kind of solicitation to pay little regard to what falls from us, as being par-

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ties interested in the decision. This is neither fair nor candid. Every member should have been left to judge for himself, how far interest might influence our sentiments. I acknowledge myself interested in the bank as a stockholder. But I have no more share in the management, than that gentleman himself, unless when the stockholders are called together. I feel myself interested in the fate of the bank, from another cause. I had some hand in forming the institution, or *brat*, as it has been called by some of its opponents out of doors—now, so far as I had a hand in the formation of this *brat*, I esteem myself bound in honour to support it. I am induced also to support the report now before the house, because I have a perfect and thorough conviction, that the institution, in its operation, far from being injurious to the state, is of service to every individual in it. It promotes the grandeur of the state—increases its wealth—and adds to its dignity.

If the argument of our being interested in this question, were allowed the force it was meant to have, the same argument would apply on every question. As a citizen and a freeman, entitled to all the privileges and immunities which the laws and the constitution afford, I am, more or less, interested in the decision of every question that comes before this house. This argument would in effect apply against every member in the house. But I shall quit this ground. As a member of this house, I ask and claim attention. If the arguments I shall make use of, appear to arise from self-interest, they will of course have but little weight: but, if founded on just and equitable principles, I trust the members will be influenced by them as they deserve—and I hope there is no man in this house so determined against the bank, but that he will alter his opinions, if sufficient ground appears to warrant the alteration.

In the opening of this business, I objected to reading the memorial from the president and directors of the bank. It was presented during the last session, at a time when the parties interested in that institution were solicitous to have the matter brought before this house. But during the late recess, there was a meeting of the stockholders, at which it was determined to appeal to the judicial powers—and bring to an issue at law, this question—whether a charter once given, can be annulled, without a forfeiture being proved? This being their resolution, it appeared improper to press the business forward in this house on their part: and it was

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agreed that it should not be resumed here at their instance. However, in the mean time, their fellow-citizens took the matter up; and by their numerous memorials, have put it in the power of the house, to retrieve the dignity of the legislature, by repealing the late act. If, for my part, should have no hesitation to risque the question in the courts of justice. For though some of the judges, in their individual capacity, may have been opposed to the bank, yet I have too much faith both in their integrity and in their regard for their law characters, to believe that they would hazard an unjust decision. Our judges, as judges, are, I trust, upright.

In answering the arguments alleged by the members opposed to the adoption of the report now before the house, I shall endeavour to follow them as well as I can. The member from Montgomery county has told us, he regards the terms of the report, as a declaration of war, and a challenge to all the members of the late house, who have seats in the present. On this point I must beg leave to differ from him. The committee of the former house had been instructed to perform certain duties: the committee of the present house discovered and ascertained that they did not perform those duties, and charged them accordingly with the failure. One of the members of the committee of the late house has, in a great measure, conceded the point, by acknowledging that they did not make the enquiries enjoined; and in justification he tells us, that the house had a right to judge for itself. How then can a censure levelled at the committee for non performance of duty, be construed to extend to those members of that house, who voted in conformity with their report, believing they had performed what had been enjoined them? I should think that those members of the former house, who have seats in the present, by joining in the repeal of the law for taking away the charter of the bank, if they were led to vote for it by a report not founded in fact, would act more honourably and consistently, than by persisting in a defence of that law. If they be convinced that deception has been used, there can be no dishonour in changing their opinions. It was therefore wrong to style the report a declaration of war.

The gentleman went further. He said, if he were to pass reflections on the subject, it should be on that house which granted the charter—not on that which repealed it. I have not examined the minutes of the house which granted it, and therefore cannot tell whether or no he was a member. But

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I venture to pronounce, that if he had been, he would have joined in granting it. The necessities of the country loudly demanded that grant. I presume he would not pass his censures, but with respect to the term of the charter—as he appears to think its objectionable part, is the want of limitation as to time, and the great extent of capital the corporation is allowed to possess. As to the limitation of time, he tells us, it was not understood by that house which gave the charter, that it was to be for a perpetuity. To confirm this, he produces a clause proposed as a rider, introduced for the express purpose of limiting its duration, or to put it in the power of a future house to do so. He adds, that the argument adduced in support of the rejection of that rider, was, that the charter must necessarily always be within the power of the house. But what is all this to us? Are we to regulate our conduct by the private opinions of the members of a former house of assembly? On this subject, I shall further observe, that they seem to have changed sides, on this question: for the gentlemen opposed to the bank at that period, were convinced that the house could not attempt a repeal or alteration of the charter, unless an express clause was inserted for the purpose.

Among other objections to the charter of the bank, brought by this gentleman, he alleged that the state had received no consideration for it. But this is an assertion which cannot be supported. The state received a very ample consideration. However this is totally out of the question. Are we to make sale of our charters? Is there any consideration received for the numerous charters which this house is continually granting, and which employ a great proportion of our time? If any is received, I should be glad to know who gets the money. But we are not to set up for sale, charters which the constitution authorises us to grant for the good of our country.

The same gentleman further tells us, he has a strong objection to the bank, because it facilitates commerce. From this I presume he is an enemy to all commerce, and thinks we would be better without it. I wish the gentleman had favoured us with an explanation of what he meant by facilitating commerce. From what he has said, I imagine, that explanation would be, that the bank enables people to bring more goods into this country than they otherwise could do, which is disadvantageous. As to the theory of commerce, I do not pretend to be deeply versed in it: but I have had some

experience in the practical part, and therefore I shall go into a short investigation of the state of our trade, since the peace concluded in 1783. At that period, the people of Europe, whose attention had been drawn towards us by the arduous struggle we had been engaged in, conceived the most flattering golden dreams, with respect to this country. After so long a war, they imagined we could have no manufactures, and that we were in want of every thing. He that could send here quickest, it was thought, would the most effectually reap the golden harvest. This occasioned the immense importation of goods which were poured into this country, from all quarters. Goods so imported have been sold at such a great loss, that the trade has undergone a change and regulation from its own nature: and we shall have no more of those wild adventurers coming amongst us. How the bank facilitated those gentlemen in the management of their business, I cannot ascertain. When they sold their goods, they received for them either money or produce. If they received money, they could certainly ship it off without the assistance of the bank: and if they received produce, they could have no recourse whatever to the bank. Perhaps the gentleman means, that if the bank had not afforded the facility of procuring cash for exportation, they would have been glad to take produce. But admitting this for argument sake, it would make no difference, unless he can shew that any of our produce has perished for want of being taken off our hands.

Another charge made against the bank is giving preference to favourites. This is an extraordinary kind of accusation to be made here. If the stockholders, indeed, had cause, and were to bring that charge, there might be some propriety in it. The money in the bank is the property of the stockholders and depositors, who have confided the management of it to the directors, with a power to trust whomsoever they shall see fit: and the directors are accountable for their conduct to the stockholders and depositors only. But setting this aside, I maintain that the assertion is false. When it was made, it should have been proved. I now call upon the gentlemen opposed to the bank, to prove the charge of partiality or favoritism.

Mr. Lollar said the directors were able to give those preferences stated in the report of last year. He had not meant to charge them with having done so—but to state how much was in their power in that respect.

Mr. R. Morris.

Mr. R. Morris. Insinuations are one mode of making charges; and the worst mode: because it is a very difficult matter to disprove them. But I call on any man for proof, and I do not hesitate to affirm that none can be brought, I have so much confidence in the fidelity of the directors.

The gentleman from Montgomery county, has told us that under the old government, when there were men in the management of affairs as wise as any since, they had no idea of a bank—and that they subsisted without it. The old government had no idea of an alliance with France: but this observation affords no argument against either the one or the other. However, though the old government had no idea of a bank, the commercial men of the province had: and I, as a merchant, laid the foundation of one; and established a credit in Europe for the purpose. From the execution of this design, I was prevented only by the revolution. This assertion, therefore, like many others, is unfounded.

Against the bank, governor Pownall's eulogium on paper money and a loan office is quoted. I agree that the establishment of a loan office, faithfully and properly conducted, is a wise measure. But are a loan office and a bank incompatible? No, they are not. A loan office, established on proper principles, and on a solid foundation, would promote and encourage the landed interest, and operate as much in its favour, as a bank does in favour of commerce. The landed and commercial interest are as nearly allied here as in any country whatsoever. If the country gentlemen are willing, I will freely join in the creation of a capital in hard cash, for the establishment of a loan office. The interests of the bank can never interfere with theirs.

But with respect to a loan office, it seems to be by many assumed as a principle, that it cannot be advantageous without paper money. True it is, it was formerly established by means of a paper emission. But then the government was in full possession of the confidence of the people: and paper money is the child of confidence—and of confidence alone. That confidence has been destroyed—and it will require that during a number of years, the sovereign authority be administered with the most rigid justice, and the most punctual compliance with all its engagements, before it can be regained.

It has been asserted that this confidence has been regained: and in support of the assertion, we are told that the late emission of paper has been successful. But I pledge myself,

that if one hundred pounds in specie be sent out of this house, there may be procured for it, in less than an hour, 105, but in order to be within bounds, I will say 102½, or 103 pounds, in the paper money of the late emission. This I know to be a fact. Can that, therefore, be said to be money, which is an article of purchase and speculation?

Here I shall make one observation, tho' it seems foreign to my subject: but it has been suggested by the idea of a loan office. I have some share in the landed interest—and hold a large quantity of lands within this state—I am willing to submit to a tax to be paid in hard money, to establish a fund for the purpose of lending sums to farmers for the improvement of their lands. A farthing an acre on all the lands in the state, would soon accumulate into a solid capital fully adequate.

The member from Fayette county, has made an observation, which involves a kind of contradiction in it. He asks with a triumphant air, can the 2947 memorialists in favour of the bank, be said to speak the sense of Pennsylvania? This is very different from the language held forth last year, when 1199 petitioners against the bank, though opposed by 608 in its favour, were said to speak the sense of the state. Now, if 1199, opposed by 608, can at one time convey the sense of the community, 2947, without one person opposed, may, by as fair a construction, be said to convey it at another. I wish the gentleman had amused himself in looking over the names of the signers; he would have seen, that to style them respectable, as is done in the report, was not an error. He has said, this is holding out an aristocratical idea, and that there is no distinction of characters in Pennsylvania. What! is it insisted that there is no distinction of character? The respectability of those signers is not, as he has hinted, confined to property.—Surely persons possessed of knowledge, judgment, information, integrity, and having extensive connections, are not to be classed with persons void of reputation or character—with criminals who infringe the laws, &c. &c.: for such we have amongst us: and if any one doubts it, he has only to cast his eyes to the other side of the state house yard, towards the prison, and his doubts will be removed.

The same gentleman has given it as his opinion, that the number of signers to the memorials, were procured by the influence and terrors of the bank. But this is not founded.

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In no instance was a business of this kind more fairly conducted. The greater number of the memorials are conceived in one style and form—every member of this house must know that they were published by those who formed the design, in the different newspapers in the city: so that every man was able to judge of the contents before he was requested to sign. Does this favour of undue influence or terror? But what are those terrors? When money is scarce, and people much in want of it, it is a favour to obtain discounts. The directors have never refused an enemy of the bank, merely as such. Where, then, are those terrors? Is it by refusing discounts to those who would not sign, that those terrors are to be excited. Look at the memorials, and see who has not signed them. Few entitled to discounts are not there. This charge of influence and terror, is not warranted by fact.

The gentleman went into a history of charters in the 13th and 14th centuries; and told us that some charters were sacred, because they secured the natural rights of mankind: others were not, as being in favour of monopolies. By this, I suppose he meant to insinuate that the charter of the bank was a monopoly. I wish, that instead of confining himself to make this charge, he had endeavoured to shew how it is a monopoly. If ever there was any room for the charge of monopoly, it was during the war: because it was then recommended by congress, that no other bank should be established, the exclusive operations of this being essentially necessary to the united states.

Whatever weight there might have been in this, during the war, was entirely done away at the peace. But what is this monopoly? A right in the stockholders to lend their own money to whom they please. Does this hinder any other body of men from doing the same? If the rights of property are not of the nature of those we receive from our creator, yet the security of them is amongst the great objects of civil society: and if in a government formed for protection of property, after the bank has been endowed with certain rights, privileges and immunities, these are not to be sacredly secured, the very end of government is violated. If there is the difference between charters, stated by the gentleman, who is to be the judge which are to be held sacred, and which not? The constitution has given no such power to the legislature: It has, indeed, authorised it to grant them: but not to take them away. Charters in Great Britain are granted by the authority of the king, who cannot

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again resume them at pleasure. It rests with the courts to determine whether or no they have been forfeited.

In order to justify the conduct of the late house, the gentleman has supposed that the legislature were to grant a monopoly to five men, of our trade to Europe—to five others, of our trade to the East Indies—and to a third five, of our West India trade. But I ask, how can he have recourse to such a vague and idle supposition, or build any argument on it? If any legislature dare violate the most undeniable rights of the community in so flagrant a manner, their acts would be nugatory in themselves. But what rights were invaded by giving the charter of incorporation to the bank? Any set of men might apply for an act of incorporation for the same purpose to the legislature, whose hands were not tied up by the one they had already granted. When a set of gentlemen, opposed to the present bank, and who thought to destroy it, lately applied to the house for a charter for another, the president and corporation of the bank in existence, petitioned against their request. And very properly they did. If any set of men were to apply to the legislature for a charter, which I thought injurious to my private interest, I should, if I had arguments of sufficient weight to offer against it, make an appeal to the representative body.

The gentleman has asked, to what purpose are our annual elections, if a succeeding house has not power to correct the errors and misdoings of a former one? It cannot be denied that they undertake to alter and change the acts of their predecessors—and in consequence, we have had more doing and undoing since the revolution, than ever was known before. This is much to be lamented. It serves to destroy the confidence of the people in the government. The late assembly had no necessity—nor will they ever be justified, for passing the repealing law.—This house, I trust, is disposed to render justice to the injured, by annulling that law. Our constituents have shewn their sense of the late repealing law, by the number of those in favour of it, who have not been re-elected. Wherever a re-election took place, I am persuaded it arose from misrepresentations, by which the electors were deceived: and I venture to pronounce, that, as the utility of the bank comes to be more generally known, and the subject better understood, every member who voted against it, will be discarded by his constituents.

The gentleman frequently gives us little scraps from history; and I give him credit for his reading, which I am al-

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ways ready to hear, and pay proper attention to, when it bears any analogy to, or runs parallel with the subject in debate. He has brought us an extract from the journals of the Irish house of commons to prove that another people had strong objections to the establishment of a bank. I wish I were deeper read—perhaps had there been no revolution, I should have been so. I have read some history—but I will not trust my memory: On this occasion, however, I shall observe, that in 1721, the period in which the question of a bank was agitated in Ireland, the people of that country were in a situation very different from that of the people of Pennsylvania at present. They were under the government of Great Britain, which held their commerce in trammels. They could hardly pretend to the enjoyment of liberty. This was, moreover, at a time when the public mind was agitated by bubbles of government, which were brought forth, and burst in different parts of Europe. The people, therefore, were afraid of every new scheme. But if the Irish could have established a bank, and had the management of it themselves, they would have had no objection. After their late successful struggles for the recovery of their freedom, I am sure they either have already, or will soon establish a bank among them. But Ireland is a country which does not boast of its wealth or commerce. It is a very good country for importing people, linen, and potatoes from—but I should not have looked to Ireland to import from thence commercial establishments or precedents.

The proposal to mortgage the revenues to the bank, has been held up in a very alarming point of view. But what was the amount of this proposal? Merely that certain revenues should be appropriated to the payment of the interest of debts due by the united states to citizens of this state, and that the revenues devoted to that object should be mortgaged to the bank. What were the terms of that mortgage? That so long as government continued it, the bank should pay the interest punctually when due. Is this, then, the terrible proposition, so fraught with danger to the state? It is, indeed, as strange a construction as ever I heard. And who was this proposition made by? By me, not by directions of the bank—for I had none: not as a stockholder, for I have no authority in their councils: but as a member of the committee of ways and means; in which situation it was not only my right, but my duty, to make a proposition which I esteemed so highly advantageous to the state. In that view

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I made it—its fate every body knows—I am apprehensive that some will have cause to lament it. But I hope not. From what I have said on this matter, it will clearly appear, that the proposition was made by an individual, not authorized for the purpose, and therefore should not injure the bank.

We are told, that the bank and the paper money of the state cannot exist together. But they do exist together. The bank exists in full credit, although deprived of the countenance of the legislature: and the gentlemen insist that the paper money is also in full credit: This assertion, therefore, is controverted by fact.

The gentleman from Fayette county, appears to be of opinion, that as we have found the paper money profitable, we should continue to emit it; and asks, how we could have paid the public creditors last year without the late emission? I answer they would have been better paid, if the paper money had not been emitted. It began to issue from the treasury in July last, by payments to the public creditors: and during the last session of assembly, in October, or November, nearly the whole of it had found its way back again. The public creditors received it in payment of their demands—they paid their debts with it, or bought what they had occasion for: and it was brought into the treasury—not, I presume, as a pledge or present—but in payment of taxes and imposts, which, had they been paid in proper time, would have lodged the same amount there in hard money, at least as early as the paper was emitted, for payment of the public creditors; and would have prevented the necessity of an anticipation of those public revenues, which were at the time actually due. The paper money was emitted at a very great expence.—The public creditor received it, and was obliged to pass it at a less rate than its value—while the merchant was thereby enabled to pay off his imposts, and the taxable person his arrears, with less than their amount. How long shall we go on robbing one part of the community to benefit the other?

The gentleman has spoken of the circulation of the late emission of paper money. This wants some explanation. The sum emitted was but small—and has been paid into the treasury nearly as fast as delivered out. The revenues of the state are sufficient to ensure the circulation of such a sum. But what security have we that the next house of assembly will not issue another emission, and another? The
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doubts and fears of this, and of tender laws, destroy the confidence of the public. While these doubts remain in the minds of the people, the circulation of paper must necessarily be quick, as no one will risque the keeping it long by him.

Much has been said of the opposition given by the bank to the late emission of paper money. I acknowledge that I gave it opposition—but that was before the law passed. I defy any person to prove I have given it any since. Such has been the line of conduct pursued by my friends. Regarding it as a measure not calculated for the public good, we thought it our duty to oppose it, while there were hopes of preventing it. But afterwards, when the bill had passed, we dropped our opposition: as it is the duty of good citizens to follow, when they cannot lead.

It has been argued that the bank is prejudicial to agriculture and improvements; that it has been the cause of the high rate of interest; and that usury was unknown before its establishment. These are very heavy charges indeed—but they are not founded in fact. By what means can the bank injure agriculture? If discounts are injurious to it, then, indeed, the bank may be arraigned. But how are discounts injurious to agriculture? I say they are used on many occasions, for the express purpose of encouraging agriculture, if affording to those that want to purchase the produce of the country, the means to make such purchases, when they could not otherwise accomplish them, be an encouragement. Let us suppose a ship arrives here from the West Indies with a cargo of rum and sugars, belonging or consigned to some one of our merchants, who has not an opportunity to dispose of those articles immediately. It is prejudicial to have the vessel detained—yet though he has value in his stores, he cannot procure money to purchase flour, to load her. In this situation, if there be no bank, there is no redress. This is by no means ideal. I have frequently experienced it myself. The house with which I was connected, have often had abundance of goods in their stores and magazines, and been unable to procure specie to load their vessels. At this crisis, the bank steps forward, and if the merchant has evidence of property in his possession, he procures credit—purchases produce—and sends off his vessel. This is the facility the bank gives to commerce. Without it the farmer and merchant would be equally distressed: the former would have his waggons waiting in Market-
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street, and no sale; while the latter would have abundance of rum, mahogany, logwood, dry goods, &c. in his stores, none of which, perhaps, the other would have occasion for. But by means of the bank, the merchant is enabled to purchase, and the farmer to return home.

The high rate of interest has entirely arisen from the distresses of persons in want of money, who either had no credit at the bank, or run through what they had. They were then obliged to make application to usurers, whose enormous demands rose in proportion to the distresses of their victims. Thus has interest mounted from $\frac{1}{2}$ to 2 and 5 per cent. per month. But did the bank take this interest? No. Did it encourage those who took it? No. As fast as they became known, they were refused discounts. Why then charge the institution with what it has a direct tendency to prevent?

The extraordinary profits of the bank, we are told, not only prevent people from purchasing houses, lots and lands, but even induce those who have them, to sell. But surely those extraordinary profits are as much the object of one man as another—and if one wants to sell on that account, who will be found to buy?—I have, however, authority for saying, that the profits of the bank do not exceed, on an average, $7\frac{1}{4}$ or 8 per cent. per annum, which would never be sufficient inducement to hold stock, if there were no other consideration.

“The bank,” a gentleman has said, “has not suffered by the loss of its charter. The stockholders,” added he, “have already gained enough.” To this I answer, that the bank has suffered in the only way in which the assembly of the state could injure it. And if this house restore the charter, they will not restore what the late house took away. It continues to possess, it is true, the confidence of the citizens of Philadelphia—and of the neighbouring states: but before the late attack made on it, it possessed the confidence of the monied men in Europe. This it has in a great measure lost: and this it will find difficult to regain.

On motion ordered, that the further consideration of the report be postponed.

Adjourned.

Eodem Die, P. M.

RESUMED the consideration of the report of the committee, to whom were referred the memorials praying a repeal or suspension of the law annulling the charter of the bank.

Mr. R. Morris. I was in hopes, that after the many arguments made use of on the part of the bank, some of the gentlemen in opposition, would have risen in reply: but I see they are determined to reserve themselves for the last blow. I shall therefore try to provoke an answer, by offering such further arguments as occur to me, on the subject under our consideration.

The bill, which was enacted into a law, by the late house of assembly, repealing the charter of the bank, was brought in, in consequence of a report made by a committee of that house, which had been instructed to enquire and ascertain, whether the charges made by certain petitioners against the bank, were true or not. Knowing that this question would come before the house, I was prepared to ask the members of that committee, whether such enquiry had been made? and if it had, when and where it was made, and what had been the result? But the committee of the present house have saved me that trouble; they have ascertained and stated in the preamble of their report, that no such enquiry was made. The only member of the committee of the late house who has spoken in the present debate, has told us, that even supposing the committee had not made the enquiry, the house might with propriety take up the consideration of their report: by which he has conceded the point as to any enquiries having been made.—The necessary enquiries not having been made, I would ask, how the committee came by the opinion given in their report, “that the bank is in every view incompatible with the public safety?”

Here Mr. Gray called Mr. Morris to order. He declared he was uneasy to hear the conduct not only of the late house, but of their committee impeached. It was, in his idea, entirely improper, and not the fit mode of conducting the business. He was uninterested in the question, so far as it related to their conduct, having had no hand either in granting or revoking the charter of the bank—but was decidedly of opinion, that if one house undertook to impeach the conduct of another, it would lead into endless difficulties. There was no other tribunal established by the constitution, with the powers necessary for that purpose, than the

council

council of censors. That body would, at a future day, determine on the conduct of the late house of assembly. The member was perfectly out of order.

Mr. R. Morris. I have been called to order very improperly and indecently: the question pending before this house, is, whether or no an act of the former house shall be repealed? How is it possible to discuss this question, without speaking of the conduct of that house? Several other members who have gone before me, have taken the same ground I have proceeded upon, and have arraigned the conduct of the late house and of their committee—they were not called to order: why then am I singled out? Do I not possess the same rights and privileges as other members? The gentleman has not shewn that I was not in order.

Mr. Smilie said, the gentleman from Philadelphia county [Mr. Gray] was certainly right. The member had been out of order. He added, that he would venture to say, such a report as that under debate, had never been produced in any assembly. However, he had no objection to a free and full discussion of the conduct of the late house, and of their committee—as, so far from suffering by it—

Here the Speaker interfered. He said on a question of order, there could not be any debate allowed. If the gentleman who had called the member from the city to order, wished to take the sense of the house, he would put the question: otherwise the member must be permitted to proceed without interruption.

Mr. Gray declining to have the sense of the house taken,

Mr. Morris proceeded thus: Had the committee of the late house been charged with neglect of duty, with a view of bringing them to trial before this house, as the gentleman seems to suppose, he would have been right in giving opposition to such proceeding, and I should have joined him; but that is by no means the case. The subject before us, requires an investigation of the conduct of the late house, and that of their committee which made the report, whereon was founded the law for annulling the charter of the bank: respecting their conduct, and on every part of it, I have a right to speak my sentiments, provided they are delivered in a manner not inconsistent with any privileges of this house.

The report made by the said committee, declares, as I said before, “That the bank is in every view incompatible
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“ with the public safety.” I ask was that committee either able or willing to consider the subject in every view? I do not hesitate to pronounce that they were not. Did that committee take a view of the services which the bank had rendered to the united states? I believe they did not; and yet that was one of the points of view in which they ought to have considered it: for when chartered rights are to be destroyed, the matter should really be considered in every point of view. As the committee did not choose to make mention of those services, many of which must have been known to them, I shall, I trust, be excused for giving some little account of them.

In the beginning of the year 1781, the money and credit of the united states were at so low an ebb, that some members of the board of war declared to me, that they had not the means of sending an express to the army. I mention this only as one instance, to shew that distressful state of our finances, which induced congress to make the appointment of a superintendent, which was done in the month of February in that year: and a still stronger proof of our distress will be shewn, by a bare mention, that a motion was, about the time of that appointment, made in congress, by an honourable delegate from the state of Virginia, to authorize general Washington to seize all the provisions that could be found within a circle of twenty miles round his camp. The motion having been submitted to me, as superintendent elect, I requested that it might be withdrawn, and pledged myself to procure, upon my private credit, a supply of four or five thousand barrels of flour, in a short time, for the use of the army; and I was happy enough to succeed in the attempt. The various scenes of distress, and the extreme difficulties which presented themselves to my view at that time, were sufficient to have deterred any man from the acceptance of such an appointment; but, however unequal to the station, the attempt was indispensable. I found it absolutely necessary, previous to the acceptance, to make certain stipulations, as leading to the only possible chance of success: amongst these was that of not being liable to make good the previous engagements taken on account of the united states, well knowing that such demands must soon have run me down—Another stipulation was made with the minister of France, for a credit upon the king's treasury, which was granted in a very limited degree. That minister did not want inclination to go greater lengths; but I have reason to believe,

believe, that he was limited by instructions, both as to the sum and terms of the loan; terms which it may be improper for me to mention here, although they would add another proof of our then miserable situation.

This credit, however, and the confidence reposed in me by the then legislature of Pennsylvania, laid the foundation for appreciating the paper money of this state, and enabled me to feed and move the army during the remainder of the year 1781. I was happy enough to find that assembly disposed to give every possible aid to those designs which were then formed for promoting the public service. The executive branch of government was equally well disposed. I have now a gentleman in my eye who then presided: he knows the applications I was obliged to make; he gave ready compliance as far as he could, and I feel a pleasure in bearing this public testimony to his exertions at the time.—Under the pressure of those difficulties I have mentioned, the idea of a public or national bank suggested itself, as a measure that might be extremely useful in my attempts to regain for the united states, that credit which had been lost. I made the proposal for establishing it to congress, which met their approbation. Every one knows the terms on which it was offered to the public: and yet from the month of May, when the proposals were published, until the month of September or October following, there were not more subscriptions in the whole, than amounted to about seventy thousand dollars. During this time, one of his most christian majesty's frigates arrived at Boston, and brought a remittance in specie of about four hundred and seventy thousand dollars. This sum was brought to Philadelphia, and deposited in the vaults of the bank. I determined from the moment of its arrival, to subscribe on behalf of the united states, for those shares in the bank which remained vacant; but such was the amount of the public expenditures, that, notwithstanding the utmost care and caution to keep this money, nearly one half of the sum was exhausted before the institution could be organized. In November 1781, the president and directors of the bank were elected; they obtained a charter of incorporation from congress—and opened the bank for transacting business in January 1782. I subscribed the sum then remaining in the treasury, being about 254,000 dollars, into the bank stock, for account of the united states, which became thereby the principal stockholders. And I shall now read an extract taken upon this occasion, from “a state-

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“ ment of the accounts of the united states of America, “ during the administration of the superintendent of finance,” which was made out and published before my resignation, intended for the information of my fellow-citizens, and deposited in the treasury office, under an expectation that the books would have been distributed or sold: why they have been with-held from the public eye, I do not know; I meant them for public investigation; and, as the officer concerned, feared none that could be made into my conduct. It lies with those who have with-held the books, to account for it.

This extract states, that on the first of April 1782, the united states possessed stock in the bank, to the amount of 252,918 28-90 dollars; and that they were then indebted for money borrowed of the bank, 300,000 dollars, by which it appears, that if this institution had not taken place, the treasury would have been 50,000 dollars worse than nothing.

The requisitions of congress, for 3,000,000 of dollars, which were passed the preceding November, required no payment from the states until May: and it is well known, that long after that time, they produced no effect: at that period, public credit had gone to wreck; and the enemy built their most sanguine hopes of overcoming us, upon this circumstance; but at that crisis our credit was restored by the bank.

On the first of July 1782, the united states held to the amount of 253,000 28-90 dollars in bank stock, and were then indebted to the bank 400,000 dollars, which is nearly 150,000 dollars more than the amount of their said stock. I am sensible that by mentioning these transactions, I expose the president and directors of the bank to the only censure that can affect them. The then stockholders might with some appearance of reason have complained that they had extended their credit to the united states too far beyond the bounds of discretion: but let it be considered, that they were told, and truly told, by him that presided over the finances, that the fate of their country depended very much upon the assistance required from time to time at their hands. Their desire to render public service, and their confidence in the assurances given repeatedly by that officer, of faithful repayment, will surely justify them for having risked a part of the property confided to them, for the security of the whole: but, even supposing any censure to lie, how far such censure will justify the present opposition of those concerned

cerned in the attack upon the bank, I leave to the decision of every gentleman present. In October 1782, the united states continued, as before, possessed of bank stock for 253,394 58-90 dollars, and indebted 400,000 dollars. Before January 1783, the president and directors growing rather uneasy at this heavy loan, and fearing censure, they called upon me for relief, and I sold out stock of the united states to the amount of 200,000 dollars, and paid 300,000 dollars in part of the debt: so that on the first of January 1783, the united states held stock for 53,394 58-90 dollars, and owed the bank, 100,000 dollars.

On the first of April following, the situation remained the same. By the first of July, I had sold the whole of the bank stock belonging to the united states, and they remained in debt to the bank, 129,800 dollars. On the first of October 1783, this debt was increased to 164,781: but by the first of January 1784, the united states were discharged of that debt.

The president and directors of the bank had no pledge after the sale of the stock, for the debt of the united states, other than that of the public faith given in proper writings by their officer. During these times of distress and want, the utility of the bank was not confined to the advances made to the superintendent for public service. It was eminently beneficial, by extending discounts to contractors who supplied the army with provisions, and to others concerned in trusting articles necessary for the supplies of the various public departments; sometimes the notes were discounted upon public, and sometimes upon private credit. I have frequently been obliged to take the contractors' notes to me for the sums due to them, and endorse such notes in my private capacity, so that they might obtain discounts on those notes to pay themselves: by these, and such other means as could then be devised, anticipations were effected, until public monies could be collected to discharge the notes. Some members of this house know, and can vouch the truth of this relation; one in particular, who contracted with me for feeding the troops and prisoners at Reading, on very moderate terms, who gave great satisfaction in the execution, got but little profit, but always appeared well pleased with the opportunity of being so far useful to his country. This gentleman must remember these things well.

From the aids given by this institution, the united states were enabled to keep up, feed, and clothe an army, consist-

ing of a larger number of men than they had had in the field before, or than they could have maintained without these aids. This army was, in every point, on a much more respectable footing than formerly, and they kept the enemy at bay.

And shall this institution, from which, not only the united states, but this state, as a member of the union, hath derived such solid advantages, lose all its merit and credit, by the report of a committee of the late house of assembly, stating opinions, unsupported by a single fact? Had the committee called upon me, I would have given them this information, and given it upon oath, if required. Nay, I am even now ready, if necessary, to quit my seat as a member, and appear at the bar of this house, to prove the truths I have advanced.

I now appeal to that gentleman, who has asserted, that this state has received no consideration for the charter granted to the bank, whether her share of services and credit derived from it, was not an ample consideration? Every person who hears me, will, I doubt not, agree that it was. I will not, however, advocate the cause of the bank, merely from past services; but will try to shew, that it may also be useful to the public in time to come.

The report says, the bank has a direct tendency to banish a great part of the specie from this country. From what information the committee derived this knowledge, or whether it was instinctive, I cannot pretend to decide. But I maintain that it has a direct contrary tendency. The money of the stockholders and depositors is drawn into its vortex, and how is it to be got out of their cellars?—The directors will not certainly give it away—they lend it but for short periods, and few of those borrowers would risque a shipment of money which must so soon be repaid. Formerly, when a ship was put up for London, the remitters who wished to ship specie, were obliged, if they had not the money, to cast about for ways and means of obtaining it, either by borrowing or buying of their neighbours and acquaintance, and away it went if they succeeded. At present, under similar circumstances, the remitters are obliged to make application to the bank for discounts: but the directors being interested to obstruct the shipments of money, and knowing those who want discounts for that purpose, they watch them as closely as a cat does a mouse, and refuse such discounts until the ship is

gone. Such refusals may possibly have given rise, in part, to the charge of partiality. The directors, knowing how injurious the exportation of specie is to the operations of the bank, will not lend money for exportation. No considerable sums can be sought after or obtained for this purpose, without their being aware of it; the experience and habits they have acquired in the course of their management, enable them to perceive the approaching evil; and they endeavour to counteract and obstruct it, as soon as discovered. Thus, although they cannot prevent the exportation of specie, they render it far more difficult than it would otherwise be, and consequently the bank has no tendency to banish the specie. The report of last year, therefore, so far as it is grounded on this charge, is grounded on a falsehood.

This report proceeds to tell us, that the bank, after banishing a great part of the specie of the country, collects nearly the whole of the remainder into the hands of the stockholders. How this can come to pass, it is not easy to ascertain. Every six months a dividend is made of the profits of the bank: and if we reflect who are the stockholders, we shall find it most probable that the dividends are devoted to their current expences, for the support of themselves and families, and by that means circulated again amongst the community. At any rate, the stock cannot increase by means of the profits, unless new shares are purchased, which cannot now be done. And if it were to be done, the number of stockholders would increase with the number of shares sold: consequently the charge of accumulating the wealth of the state, into the hands of a few individuals, falls to the ground.

The report goes on to state, "That the accumulation of enormous wealth in the hands of a society who claim perpetual duration, will necessarily produce a degree of influence and power, which cannot be entrusted in the hands of any set of men whatsoever, without endangering the public safety." How is this accumulation of enormous wealth to take place? If an individual possesses one share in the bank stock, it cannot accumulate: it will always remain one share: for the profits are divided and drawn out half yearly. An increase of the number of stockholders, increases the number of shares; and by experience has been found to reduce those profits. What then is meant by this accumulation? this influence?

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They are mere bugbears, held out to terrify the ignorant and unsuspecting members of the community.

If, indeed, it is meant, that by the sale of more shares, the president and directors will have the management of more money than while the stock is confined and small, I grant it: and the consequence would be, that they could, with a larger capital, be more useful. As to influence, it may be depended upon as a fact, that if ever such an institution could create influence, this bank has had the opportunity from January 1782, to the present time: and who has seen or felt this influence during that period? But supposing such an influence to exist, how far could it go? it could only extend to those who should be under a necessity to borrow; and only so long as it should be considered a favour to obtain loans. Had this institution been let alone, the confidence it had obtained, would soon have procured such an increase of stockholders and stock, as would have turned the tables: and instead of its being deemed a favour to obtain loans at the bank, the directors would have been glad to receive applications for them, from men of proper credit: and as the capital increased, they would not only have been enabled to accommodate the public more generally, but it might have so happened, that they would have had it in their power to lend to farmers for the improvement of their lands.

Has any of this much-dreaded influence shewn itself in the legislature? I answer, no. If any member will say yes, let him shew when—let him shew how—let him produce evidence of the fact. But if such influence did exist, is it possible that it could extend beyond the bounds of the city? One of my worthy colleagues and myself are stockholders, and gentlemen affect to suppose we are under this influence: this is considering the matter in the worst point of view. But for the sake of argument, if we admit it for a moment, how far does our influence go? We offer our sentiments on various occasions: we urge reasons and arguments which we, at least, think ought to have weight, and to carry conviction. But if these arguments are offered against a certain system of measures, there are certain gentlemen from the country, who possess a kind of magic, which produces much greater effect than our reasoning. We carry very few points against this magic charm: and with a vote on the question, our influence is ended.

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The report goes further to say, "That the bank is not dependent on government." I am very glad it is not; and hope it never will be. The moment it becomes dependent on government, that moment it is destroyed. The confidence of the public is necessary to its existence: and that confidence has been acquired by the punctual compliance with its engagements. Were it under the control of government, the people would withdraw their confidence; and neither stockholders or depositors would be found to trust their money under such control. Gentlemen may say what they please of the credit of government; but the fact is, that such credit is not obtained. Government ought to have credit: and no man wishes more than I do, to see it established, but not through this channel. If government, in the present state of things, could control the funds of the bank, and were to apply them to the use of the state, how should an individual, whose money was taken by such authority, obtain satisfaction? Should he go to law with the state? No; the government has too much power, and he must submit to what it should dictate. But if the president and directors of the bank abuse their trust, and misapply his money, the law is stronger than they are; and the law will give him relief.

The report continues, "The great profits of the bank, which will daily increase as money grows scarcer, and which already far exceed the profits of European banks, have tempted foreigners to vest their money in this bank, thus to draw from us large sums for interest." The committee might as well have stated, that the profits of a mill increase in proportion to the scarcity of corn, by which it loses the toll, as that the profits of the bank will increase as money grows scarcer: for money is the life and soul of a bank, and as necessary as plenty of corn is to a mill. The first part of this clause has, therefore, no foundation in truth: and as to that part relative to foreigners taking away our specie, in payment of the interest or dividends which will arise on their stock, I am glad of the opportunity of entering into the consideration of it, having heard it frequently urged by sensible men as a grievance, that this country should pay dividends to foreigners, which they consider as a kind of tribute. I shall remark, by the way, that when foreigners place money in the bank for the purchase of stock, it proves that instead of facilitating the export of specie, the institution has a tendency to draw it into this country.

I assert

I assert, that it is the interest of this country to borrow money from abroad, and pay either interest, or bank dividends for the use of it.

Did the first settlers of America bring capitals with them? Some few individuals might: but the generality certainly did not: if they could accomplish the bringing the necessary implements of husbandry, it was doing a great deal. The settlers that have continued to follow the first comers, from that time to this, were in the same way: very few have brought capitals; and yet nearly all have grown rich. How did this happen? It has happened by the use of European capitals. How were these obtained for that use? Not by borrowing money; for they could not, it is true, obtain such loans: if they could, the country would have grown rich much faster. But they borrowed goods. America has risen to opulence by means of the credit she obtained in Europe. The goods so borrowed, or, in other words, bought upon credit, were not procured on the same easy terms, on which money is usually lent. It would have been much better for the traders in America, to borrow money at six, eight, ten per cent. or at any rate of dividend made by the bank, and to have purchased their goods with the ready money so borrowed: for with ready money, those purchases might have been made, ten, fifteen, twenty, and perhaps in some articles, thirty per cent. cheaper than on credit.

It is true, that the merchants in England usually shipped goods on one year's credit, without charging interest for that year. But it has been always said, and in some instances proved upon trials in the courts of law, that the year's interest is amply compensated by the advances put on the real cost of the goods, besides other benefices derived by the English merchant, by means of drawbacks, discounts, &c. &c. And if the American importer cannot pay at the expiration of the twelve months, an interest account commences, and is continued in such manner, that he pays at the rate of compound interest, until the debt is discharged. Under these disadvantages, the credit, obtained in Europe, at a rate of interest equal to fifteen, twenty, or perhaps thirty per cent. has been the foundation of that prosperity which we behold in America. That credit has been extended by the importer to the country shopkeeper; and, through him, to the farmer and mechanic, who being thereby enabled to pursue their labours, have drawn produce from the surface and bowels of the earth, which has not only defrayed the whole

whole of the cost and charges, but enriched the industrious. Must not, then, an institution which draws money from Europe for the use of our citizens, at the rate of $7\frac{3}{4}$ ths or 8 per cent. be extremely beneficial? Could America by means of such institutions, or by any other means, obtain loans sufficient to enable her to purchase all the goods wanted from Europe, with ready money, she would find a vast and lasting advantage in it. The plan and utility of a loan office are pretty well understood—A farmer borrows at that office at the rate of six per cent. per annum interest—this enables him to improve his land to the best advantage: and by well directed industry, he raises annually from that land an income exceeding the rate of interest, which soon enables him to discharge the debt, and enrich himself. In like manner, if we can create a credit in Europe, and borrow at six, eight, or ten per cent, so long as such loans can be employed to raise an income exceeding the interest paid, we enrich ourselves by the difference. The establishment of the bank had created that credit in some degree: and Pennsylvania, so long as her citizens can derive a better income from the capitals of Europeans vested in our bank stock, than those Europeans derive from the dividends, ought to hold out encouragement for an increase of such stockholders, rather than pursue measures for diminishing their shares.

The report proceeds—"Foreigners will doubtless be more and more induced to become stockholders, until the time may arrive, when this engine of power may become subject to foreign influence. This country may be agitated with the politics of European courts, and the good people of America reduced once more to a state of subordination and dependence upon some one or other of the European powers." This conveys a most extraordinary position; that foreigners, by depositing their money with us, shall become our enemies, and seek our destruction; and that those who place confidence in us, shall endeavour to ruin us. I hardly imagine that this can require a serious answer. The contrary proposition is self-evident. Had we at every court in Europe, persons so warmly interested in our favour as those stockholders must be, we should have warm supporters in case any of those courts should form hostile designs against us. Nothing can make such stockholders our enemies, but breaking our contracts with them.

The report adds, "at best, if it were even confined to the hands of Americans, it would be totally destructive of that

that equality which ought to prevail in a republic." What equality is here meant? Why did not the committee explain it? Holding more or less shares in the bank cannot destroy it, unless they meant equality in the possession of property. If that was their view, they should first have reported a law, fixing limits to industry—and an agrarian law for making an equal division of property. But I believe those measures would prove as disagreeable to the members of that committee, as to the stockholders of the bank. Each of them, I imagine, possesses more now than would fall to his share on such a division; and there is no reason to suppose, they would be fond of parting with what they hold: for, on the contrary, they are like their neighbours, trying to get more. I may be told, that this is my case—Agreed—I have some property; repeated attempts have been made to deprive me of it—I have not only resisted such attempts successfully, but continue to exert myself in the acquisition of more. Make a division, and that industry ceases.

"We have nothing," the report continues, "in our free and equal government, capable of balancing the influence which the bank must create."

On this point, it is only necessary to mention the late attempt—not to balance—but totally to destroy the bank. I shall therefore make no other appeal, than to the report itself, for the refutation of this assertion.

The report proceeds, "We see nothing, which, in the course of a few years, can prevent the directors of the bank from governing Pennsylvania."

Therefore there is nothing, for if there had been, so wise a committee must have seen it. But did they see any thing that was likely to place the government in their hands? I may safely answer no, for if they had, they would not have failed in that part of their duty—they would have mentioned it in the strongest terms.

Again the report proceeds, "Already the house of assembly, the representatives of the people, have been threatened that the credit of our paper currency will be blasted by the bank."

I ask, who made those threats? Is it in proof that the president and directors of the bank have made them? If they have been so imprudent, let it be shewn, and I agree that they abide the consequences: if such threats have been made by other persons, advocates of the bank, can their conduct be urged as a serious charge against the institution?

But

But even supposing such threats to have been made, let us see what has actually been done: The only opposition to the measure of emitting paper money, was made during the time that measure was in agitation: and surely that was the proper time for those who disapproved it, to make their opposition. They did not continue to oppose after the measure was adopted: at least the president and directors of the bank did not. It was not expected of them that they should give hard money in exchange for the paper emission: they could not, without being guilty of a breach of trust: but upon the request of some friends to the paper money, they agreed to receive it on deposit, and to answer the drafts of the depositors, drawn at their own will and pleasure; this was done at some expence, much trouble, and at least so far gave countenance and credit, as to induce many to receive it in payment. In fact, they gave the paper every countenance they consistently could, and probably more than they ought to have done.

"If," concludes the report, "this growing evil continues, we fear the time is not very distant when the bank will be able to dictate to the legislature of Pennsylvania, what laws to pass and what to forbear." I hope the legislature of Pennsylvania will always be composed of men independent in spirit—independent in fortune: whilst this is the case, there is nothing to fear from this bug-a-boo; such men would spurn at all attempts to dictate to the legislature.

But I have already shewn, that no such danger as is here held out, can possibly arise from the bank. So long as the electors of the state take care to return for their representatives, men of sense, integrity, spirit, and property, the people will derive security to their lives, liberties, and property. And although it was, some time since, fashionable with some people to cry out, that men of property should be excluded from any share in the government, yet it will be found, that the public safety consists best with placing the government in the hands of those who contribute to bear its burdens.

I have now gone through the report; and have, I think, proved that it is not founded in truth, supported by facts, nor warranted by any information given to, or obtained by, the committee who made it. Instead of adducing facts, they have stated opinions: and what has been done in consequence? The then house of assembly, in consequence of that report, passed an act for taking away the charter of the bank.

bank. The preamble to that act, states, "That the bank has been found injurious to the state."

It is then no longer a matter of opinion—as stated in the report: but is in the preamble asserted as a matter of fact. I maintain that the assertion is untrue. Desirous to treat the former house with as much decency as the occasion will permit, I refrain from using other epithets, which might with propriety be applied; but the round assertion in the preamble to the act, demands as strong a reply: there was no proof to support that assertion; the committee did not even pretend to any. The house was deceived by the tenor and plausibility of the report: and that committee are culpable.

Will this house, then, suffer to remain enrolled amongst the laws of Pennsylvania, an act, passed under deception, and founded on mere assertion of matter, neither proved or supported? I hope they will not. I hope this house has too great a regard for the honour of the state, to permit that law to remain unrepealed.

Ordered, that the further consideration of the report be postponed.

Adjourned,

Friday, March 31, 1786, A. M.

RESUMED the consideration of the report of the committee, to whom were referred the memorials praying a repeal or suspension of the law annulling the charter of the bank.

Mr. Whitehill. A great deal has been said on the subject now under consideration of this house. I still remain of my former opinion (for I have heard no reason adduced to convince me of the contrary) that the charter and institution of the bank were totally incompatible with the interest and welfare of Pennsylvania. In that opinion I shall remain, until I hear better reasons offered on the other side of the question.

The report before the house, conveys a number of invidious reflections on the late assembly, and on their committee who made the report relative to the bank. In taking a review of it, I think it will appear those reflections are ill-founded, and unwarranted by fact.

It states, "that the report made to the late house, was grounded in general notions preconceived, or on the cur-

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“rent popular opinions and speculations, without much
“consideration being bestowed on the special subject; and
“the same may at least be said of the petitions presented
“against the bank:”

And “that the house did not derive from either mem-
“bers of that committee, or the said petitioners, those
“clear lights, which would have been necessary to their de-
“liberations, on so difficult and interesting a subject, and
“which, from the instructions to their committee, they
“seem to have desired.”

What is to be supposed the enquiry necessary to be made
in this case? or what the lights necessary to the deliberations
of the house? Are not those popular opinions, the opinions
of the people of the state? And can the house of assembly,
the representatives of the people at large, have a surer guide
to regulate their conduct, than the opinions of their con-
stituents?

The charge of not affording the president and directors a
hearing, is ill founded. Because they were not heard until
the third reading of the bill, does it therefore necessarily fol-
low, that they were not heard at all?

The late house is charged with having come to a hasty de-
termination, and broken through the procrastinating forms
of proceeding, which were fixed as fences, against the sud-
den violences of power. This is a wrong statement, and a
very unjust insinuation. The repealing act was passed with
every usual formality.

Not having made any enquiry at the bank, is stated as ve-
ry criminal in the committee—But that would have been a
very improper place to make any enquiry. Would the pre-
sident and directors have told us of the partiality or favour-
itism they might have been guilty of? Would they have
told us of any failure in their duty? They would have giv-
en us no such information. Would they have told us that
the bank was incompatible with the safety or welfare of the
state? No such thing. A gentleman from the city [Mr. R.
Morris] has said that if we had applied to him, he would
have given us information—But we might as well apply at
the bank as to him—he is deeply interested in the institution.

The committee enquired into the nature of the bank—
and its compatibility with the public welfare—and found no
such compatibility. It has been asked, how is the bank dan-
gerous—how incompatible with the public welfare? I shall
endeavour to shew how. It advances paper on the credit of
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the money in its vaults, and its loans are confined to 45 days
—a period which can never afford any opportunity for the
country people to profit by it: as it is impossible they can
come down here every 45 days to renew their obligations.
It moreover cramps the credit and circulation of the paper
money of the state.

I am against the report as proposing to re-establish the
bank on its former charter. [Here Mr. Whitehill read that
clause of the charter, which empowered the corporation to
have a stock not exceeding ten millions of dollars—and that
which appointed the president and directors: he then ad-
ded:] This stock of ten millions of dollars was too great an
estate—it afforded too great a liberty to the bank. The pre-
sident and directors were incorporated without the house
knowing any of their bye laws and regulations. The same
persons might be president and directors all their lives. There
would have been no end of the corporation, but by a repeal
of their charter, let them exercise their powers how they
would.

The late house has been charged with a hasty determina-
tion in repealing the charter: But the house that granted it,
was much more hasty in its proceedings: as I shall shew. On
the 22d of February, 1782, a letter was presented from the
president and directors of the bank, praying leave to bring in
a bill to incorporate the subscribers thereto. The 25th of
the same month, the bill was brought in, and read a first
time: no committee had been appointed to prepare it. The
26th, it was on motion read a second time, and ordered to
be transcribed and printed for public consideration. Thus it
appears there was not a single day between the first and se-
cond reading. The 25th of March, it was read a third
time, and ordered to be engrossed. The first of April it was
enacted into a law. All this was in the same session. In this
mode was the charter obtained. Time for consideration was
not allowed to the public, the bill was gone through with
such precipitancy. Yet the late house is charged with hav-
ing broke through the procrastinating forms, although the
repealing act lay over from the winter sessions to the fall, a
period of four or five months. At the fall sessions, counsel
was heard for and against it. The committee could not be
charged with having deceived the house: for after they had
made the report, the matter was fairly argued, as well by
the members, as by the counsel.—After all this delibera-
tion—all these lights thrown upon the subject—it may be
safely

the credit of that, which was the only effectual mode that had been discovered for relieving the suffering creditors? But a gentleman lately proposed to have all the paper money called in, in order to make way for the bank.

If charters cannot be repealed, because they are contracts, it affords a great invitation to fraud. A gentleman in enumerating the powers of the house of assembly from the constitution, did not read the whole sentence—at the conclusion of which it is stated that they shall possess all the other necessary powers of a legislature. Charters of public corporations, when not found agreeable to the welfare of the people, may be taken away by the legislature. Two instances of the sort have occurred in this state. One was the charter of the college of Pennsylvania, and the other the charter of the proprietaries.

Mr. Finlay. This question, which has so long engaged the attention of the house, and on the merits of which, gentlemen eminent for discernment, have exercised so much ability, is of such importance in itself, and involves in it such extensive consequences, as to justify my requesting the attention of the house to a few observations which I propose to offer respecting it.

Much has been said respecting the extraordinary reasoning in the preamble of the report under debate, which bears evident marks of the manner in which disappointed avarice chagrins an interested mind. I shall observe, that though the reasoning in the report of the committee of the late house, recommending the passing a law to repeal the charter of the bank, were insufficient or mistaken, yet if sufficient reasons do now exist in the nature of the case, to support the principles thereof, it ought not to be repealed. This proposition is supported by legislative and judicial examples. In appeals from the lower to the higher courts, the question is not—“what were the reasons the lower courts assigned for their decision?” but “whether was the decision just or not?”—Many examples might be produced, of reports of committees, and preambles of laws, not expressing the true and proper reasons of the respective resolutions or laws. To try all laws by the reasons assigned in their preambles, would be an endless task. Therefore, not to dwell on this, I shall endeavour to prove, that the legislature had a power to repeal the charter of the bank; and that sufficient reasons did exist, to justify the expediency of their doing it.

All governments being instituted for the good of the society

ety to which they belong, the supreme legislative power of every community necessarily possesses a power of repealing every law inimical to the public safety. But the government of Pennsylvania being a democracy, the bank is inconsistent with the bill of rights thereof, which says, that government is not instituted for the emolument of any man, family, or set of men. Therefore, this institution being a monopoly, and having a natural tendency, by affording the means, to promote the spirit of monopolizing, is inconsistent with not only the frame but the spirit of our government. If the legislature may mortgage, or, in other words, charter away portions of either the privileges or powers of the state—if they may incorporate bodies for the sole purposes of gain, with the power of making bye-laws, and of enjoying an emolument of privilege, profit, influence, or power,—and cannot disannul their own deed, and restore to the citizens their right of equal protection, power, privilege, and influence,—the consequence is, that some foolish and wanton assembly may parcel out the commonwealth into little aristocracies, and so overturn the nature of our government without remedy.

This institution is inconsistent with our laws—our habits—our manners.—Our laws and habits countenance long credits, and afford slow methods for recovering debts. They subject our real estates to alienation, and to be sold for debts. They divide our estates, both real and personal, more equally among our heirs, than the laws or habits of any other country I know of. We are too unequal in wealth to render a perfect democracy suitable to our circumstances: yet we are so equal in wealth, power, &c. that we have no counterpoise sufficient to check or control an institution of such vast influence and magnitude. We have no kingly prerogative—no wealthy companies of merchants incorporated—no hereditary nobles, with vastly great estates and numerous dependents—no feudal laws to support family dignity, by keeping landed estates undivided. What security, then, can we propose to ourselves against the eventual influence of such wealth, conducted under the direction of such a boundless charter?

This charter was for a perpetuity—not subject to change:—In this it was contrary to our constitution, which is liable to change every seven years.

But let us take a more distinct view of the nature of this institution, and of human nature itself. Enormous wealth,

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possessed

possessed by individuals, has always had its influence and danger in free states. Thus, even in Rome, where patriotism seems to have pervaded every mind, and all her measures to have been conducted with republican vigour, yet even there, the patricians always had their clients—their dependents—by the assistance of whom they often convulsed the counsels, and distracted the operations of the state, and finally overturned the government itself. But the Romans had no chartered institutions for the sole purposes of gain. They chartered no banks.

Wealth in many hands operates as many checks: for in numberless instances, one wealthy man has a control over another. Every man in the disposal of his own wealth, will act upon his own principles. His virtue, his honour, his sympathy, and generosity, will influence his disposals and designs; and he is in a state of personal responsibility. But when such an unlimited institution is erected with such a capital, for the sole purpose of increasing wealth, it must operate according to its principle; and being in the hands of many, having only one point in view, and being put in trust, the personal responsibility arising from the principles of honour, generosity, &c. can have no place. The special temper of the institution pervades all its operations: and thus, like a snow ball perpetually rolled, it must continually increase its dimensions and influence.

This institution having no principle but that of avarice, which dries and shrivels up all the manly—all the generous feelings of the human soul, will never be varied in its object: and, if continued, will accomplish its end, viz. to engross all the wealth, power, and influence of the state.

The human soul is affected by wealth, in almost all its faculties. It is affected by its present interest, by its expectations, and by its fears. And must not, therefore, every thinking man see what advantage this institution has on the human feelings, above that of wealth held by many individuals? If our wealth is less equal than our kind of government seems to require—and if agrarian laws are unjust in our present situation, how absurd must it be for government to lend its special aid in so partial a manner, to wealth, to give it that additional force and spring, which it must derive from an almost unlimited charter? Can any gentleman avoid seeing this to be eventually and effectually overturning our government? Democracy must fall before it. Wealth is its foundation, and gain its object and design.

Thus

Thus it appears that this institution is inconsistent with our general laws, customs, and circumstances, and even with the nature of our government. The proofs are not founded on facts of doubtful credibility. They are drawn from the nature of things: and the principles of nature being justly stated, this kind of arguments are conclusive. They carry their evidence with them, with a certainty like that of the sparks flying upwards, or the waters running to the sea.

Upon the same principles, it is evident that in the present state of our commerce, the bank facilitates both public and private ruin. The balance of trade being constantly against us, commerce with us has contracted a different meaning from what it has in Europe. There it is founded on the produce and manufactures of the respective countries, for which the merchant finds a foreign market, and in lieu of which he brings a suitable return. From the excess of the exports, the nation is enriched. With us it may, with more propriety, be styled importation than commerce: and this importation, carried on to too great a degree before the revolution, is greatly facilitated by the bank.

A worthy gentleman from the city [Mr. Morris] has declared it as his opinion, that precedents from Ireland are improper, as that country does not boast of its commerce or wealth, and is under English trammels. He says it is a good country to import people, linen, and potatoes from—but not commercial precedents. I do not pretend to much commercial knowledge; and am of opinion, if we had such linen and cambric manufactures as the Irish—if we exported so much beef, butter, and pork—and manufactured so much woollens as they do—we should be possessed of the immediate means of commerce. But, being under British trammels, her people, who ought to be employed at home, are obliged to emigrate in abundance. If they are esteemed an article of commerce, that branch of her trade has been much to our advantage.

But as for us, though we have the foundations of commerce, we have not, nor can we soon have the means of carrying it on extensively to advantage. We export flour, which, through the scarcity of labourers, has failed in the quantity. We export flaxseed, which, through the oldness of the lands contiguous to market, and the change of seasons, has also failed greatly, so as to be scarcely worth mentioning. We export lumber, which has failed in like manner, and must

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continue

continue to fail, in proportion as our woodland is cleared. Is this a balance for our amazing importations, not only from Europe but both the Indies? From those vast importations, the number of our dealing people was increased. The bank gave the means of purchasing foreign cargoes—the access was easy—but the credit short.—The hasty day of payment approached—hence the numerous tribe of brokers arose. The involved debtor went from friend to friend for the assistance of credit—from broker to broker for costly supplies of cash—until ruin overwhelmed him with confusion and woe: and he who was, or appeared to be, a capital dealer, fell. Like a mighty oak in the woods, he crushed many by his fall. Thus of late, the cry of private ruin in this city, has not only been heard by our sister states—but by foreign nations. Thus hath the state been drained of what money was circulating within it, and the means of supporting the revenues and credit thereof been taken away: no doubt there has been a concurrence of other causes. The imprudence of the unfortunate is often assigned as one cause: and no doubt it was: but experience forbids to set down the unfortunate always as fools or knaves. Many who had fair and honest prospects, or who assisted with their credit those who had, finding every usual means of extricating themselves cut off by the inundation of foreign goods, have, whilst possessed of honest principles and competent sagacity, sunk in the common ruin.

Much has been said of the merits of the bank in preventing the money from leaving the country. I know the exportation of money is contrary to its interest. But the little arts of the directors, to detain it in the country, are contemptible as an argument, and ineffectual as a means. What are the methods by which they retain it? A gentleman [Mr. Morris] has told us, that when a vessel is up for England, the directors know those who apply for discounts, in order to send the money away, as readily as a cat knows a mouse, and that they refuse them.—Are these the mighty means? Is this the boasted security?

I have already proved that the bank facilitates importation: consequently it facilitates contracting debts abroad: and if the debts are facilitated, why clog the payment? Better that the remittances could be made in an air balloon, and the freight saved. In Spain where they have the precious metals poured in from their settlements, and are manufacturers of money—in order to prevent its being exported, ten

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per cent. (if I am not mistaken) is charged on the remittances to England: and a higher duty is charged on the remittances from the Havannah and New Orleans. Yet can any man of understanding say that the Spanish dominions are enriched by this? By no means. They are scarcer of money, in proportion to their uses, than we are.

The way for individuals or nations to get rich, is not to have artificial difficulties laid in the way of paying their debts; but to contract few of them. The debts must be paid: and the bank collects the money to a point, where it can be easier found in large sums for exportation, than in any other manner: and those little shifts, which depend on personal sagacity or integrity, are fit only for a plausible colouring for refusing to supply those who are not favourites; and the more effectually discover how well it is calculated to promote the monopolizing of trade. What security have we that its assistance will not be partially exerted for this purpose?

This institution is itself a monopoly—being incorporated a great trading company—and having a right to turn ten millions of dollars into trade, if the president and directors please—or to lay out that amount upon land. So, by taking advantage of a scarcity of money, which they have it so much in their power to occasion, they may become sole lords of the soil. If they may monopolize trade—if they may monopolize the soil—why not the government too? Doubtless they may.

I do not say whether or no, the bank is a monopoly in the strict legal sense of the word. This is not to my purpose. But I say that it is, in its nature and principles, in the common popular sense, a monopoly: and being so in its nature, it must be so in its effects. This is a certain conclusion. I do not charge the directors or stock-holders personally with such designs: but this being the nature of the institution, it becomes the indispensable duty of the directors to conduct it according to its natural principles.

Great wealth seems, even with individuals, to have a tendency to monopolizing. It was the saying of a wise writer, when riches increase, they are increased that have them—increased in their appetite for riches, and in their endeavours to procure them.

This institution I believe to be inimical to the emission and credit of paper money. Let us for a moment compare the state paper with that of the bank, with respect to their ser-

vice to this country. For this purpose, I beg leave to advert a little to the history of paper money. Its amazing usefulness to Pennsylvania, before the revolution, is well known. But when the necessities of congress obliged them to emit paper money, they were obliged to emit it in great quantities, and had not the power or means of appropriating sufficient funds for its redemption. And to look back, I rather wonder that those emissions served us so well, than otherwise. Though the measure was then unavoidable, I must observe there is not sufficient safety in one public body judging of the quantity of money to be emitted—and another, or rather many other public bodies having to judge of and appropriate the means of redeeming it. But there is more safety in one body being obliged to judge of the quantity—the uses—the funds—and the manner of redemption.

When this state emitted the island state money, as it was called, the funds were sufficient, but not immediately productive; and there was abundance of paper money in circulation. Yet it stood its ground tolerably, until the vast sum of 500,000*l.* was emitted upon funds uncertain in their operation, and not productive then, nor in a sufficient degree yet. This sunk the credit of the other with it; and became a valuable speculation—perhaps to some of the planners of the emission. The other resumed its credit instantly, when the funds became productive. But having spoken largely on this subject in the last house, I shall say no further now—but observe that the last emission has funds much more than sufficient. These funds are constantly productive; and the uses which keep it in circulation, are abundant. Therefore it cannot fail of holding its credit—and has stood its ground against a very powerful opposition indeed. Though I do not say that any direct attack was made upon it by the directors of the bank—as I do not blame them for not receiving it—yet it was evidently opposed through the influence of that institution. In the eighth general assembly, the directors wrote to the house, dissuading them from the emission they were about to make, giving their opinion that it would not do, and offering a loan. The prophesying its fate, by those who were supposed to have the power to blast it, had the desired effect; and the emission was dropped. When the funding bill was going through the late house, could those who were interested in, or dependent on, the bank, do more than they did, to prevent the emission, and to discourage the people, already rendered suspicious by former events?

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Did not the friends of the bank, in that house, predict that it would be three or four for one, as soon as emitted? Did not the gentlemen of this house who are interested in the bank, endeavour at our last session, to have it all called in? Have they not afterwards complained of its not purchasing the necessaries of life? Did not one gentleman tell us it was from two and a half to five per cent. below par? I must answer, that instances of the kind have not struck my observation. I very lately changed a considerable sum, and have seen others do the same, without asking or being offered any advance. There can be none who would ask or give any advance, but such as are interested in, or indebted to, the bank. At least, in all my dealings in the city, none have hesitated to take it, but those who told me they must have money for the bank. Considering these things, there is nothing wonderful in some instances of such an advance being given. It is but the price of convenience. I have frequently seen three pence given in Ireland for getting silver for a guinea: but the people there never thought the gold of less value on that account. Many such instances might be produced.

A gentleman from the city [Mr. Morris] has mentioned the quick circulation of the paper as an argument against its credit. He says it returns to the treasury almost as fast as issued. I congratulate the state of Pennsylvania upon the news, as a satisfactory evidence of returning confidence. It brightens our prospects of prosperous days. The public creditor has been relieved by it. The moneyless farmer has with it paid his taxes, which had accumulated for years past. It has brought into circulation the little hard money that remained. Our treasury is kept busy receiving it, and as busy paying it away. Who refuses the paper money from us? None—for the comptroller general is kept employed almost night and day—people hurry him so that they may get it. Certainly the gentleman could not mean this as an argument against paper money.

Much might be said on the advantages of the loan office. But the principles of this institution are so well understood, that I should esteem it an insult to the good sense of the house to enter on them.

Thus far I have mostly confined myself to principles, and the reason and nature of things: arguments of this kind being justly laid, I take to be most convincing: for every man knows things will operate according to their nature.

But

But I beg leave now to animadvert on certain arguments made use of by some of the reasoners on the other side: for hitherto I have only touched on a few of them, in order to illustrate my subject. I would first observe that I took no notes at the time of the debate—as I did not then design to enter so largely on the subject. I shall therefore remark on but few of the gentlemen's arguments.

A worthy gentleman from the city [Mr. Fitzsimons] informs us, that he is a stockholder in, and director of, the bank; and that there are several stockholders members of this house.—He justly observes, that this does not debar them from the constitutional right of canvassing for offices at elections—and advocating their own cause on the floor of this house. Doubtless the gentleman is right. For though the constitution excludes executive officers from seats in the legislature, lest they should influence it to make their salaries more lucrative, or their duties more easy: yet the convention neglected to guard against men, who have procured peculiar privileges by obtaining partial laws in their own favour, for the sole purpose of gain, advocating their own cause by the advantage of a seat in this house. This reminds me of the famous laws of Solon, which, though an excellent system, neglected to provide any punishment for a person who should murder his father or mother—doubtless not expecting such a crime would ever be committed. And indeed I think the convention guarded so well against the legislature of this state granting any kind of monopolies, or partial prerogatives, as cut off the probability of any such thing happening in this state: yet such is the course of affairs, that advantage has been taken of the embarrassments and inexperience of the state, and this very thing has happened.

As to canvassing at elections, I apprehend it is not common nor honourable to canvass for a seat in the legislature, where the candidate has only in view to serve the public. But where he has a cause of his own to advocate, interest will dictate the propriety of canvassing for a seat. Indeed the emolument arising from it, would induce but few wise men to canvass for a seat in this house purely to serve the public: for few who know the importance of the service, will think themselves fit for it. We also allow to the gentlemen that they have a right to advocate their own cause, on the floor of this house. But they will allow us to consider, that it is their own cause they are advocating; and to

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credit to their opinions, and to think of their votes accordingly. And here I call the attention of the house for a moment, to consider the situation of the parties engaged in this argument: If the bank is a common good—diffusing beneficial influences through the whole state—increasing the price of lands and produce—if we saw it to be useful to the commonwealth—would it not be our own interest to encourage it? Can this house suppose us wicked enough to destroy our own interest or the public's from mere envy? On the other hand, this house must observe, that however hurtful and dangerous it is to the general good, the gentlemen on the other side are interested in supporting it: and if it were safe and beneficial, it would also be our interest to support it.

The same worthy gentleman has told us, that the circulation and amount of the bank paper is little understood. This I believe is perfectly true. But is this a reason that we should grant a charter to the bank? Surely not. Shall the legislature of Pennsylvania enact a charter for an institution they do not understand? Certainly every honest member on this floor, who does not fully understand the mystery of banking, or who has a doubt upon his mind, of the safety or utility of such an institution, will vote against the resolution.

Another worthy gentleman [Mr. Morris] has told us, that it is his opinion, if the question is to come before a court of justice, the judges, though their opinions might be otherwise, yet on account of their characters as law officers, would condemn the repealing law, as a nullity. What! would the judges complement the bank by deciding contrary, not only to their own sentiments, but to law itself? If this be the case, it must be a very influencing institution, and a very dangerous one indeed.

The same worthy gentleman informs us, that if the bank is not continued, there will not, at some seasons, be a ship loaded with flour, at the port of Philadelphia. But I ask, how were they loaded before the war? how were they, or how are they, loaded at Baltimore and other ports? Baltimore exports more in proportion to its imports than Philadelphia does: and this is worthy of our observation. But as I have detained the house longer than I designed, and as the gentleman who spoke last, discussed to advantage many arguments I had in view, I shall conclude by offering a few more general observations.

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There is now no chartered bank existing: therefore the case is before us on original ground. The question is not whether or no we will repeal a charter; but whether or no we will give one. Whether or no the last house assigned proper reasons for what they did, is not our business: for we know they did no injustice to the bank. They took away none of the property. The holders have their money; therefore it was not like an agrarian law, as the gentleman alleged—They may still keep a private bank. And here I beg leave to remark, that as a private bank is all the constitution admits of, so it would have the same advantages in trade, and more security to the people than a chartered bank. For, under the charter, the incorporated property was the only security to the public: therefore the stockholders, who have the property of it, and draw the dividends from it, might be rolling in wealth, and the bank break and ruin thousands. The bank might be robbed, or thrown into the Delaware, and the owners who profit by it, be safe as to their estates. None but men of wealth have money to spare to be bankers: and shall this house give a special law to enable monied people to increase their gain, without having either their persons or estates upon the same level of responsibility as the other citizens? By no means: this house will not do it. If the legislature did so, it would give a legal sanction to a snare of the greatest danger.

This is the only state in the union saddled with a bank. Our sister states, sensible of the magnitude and danger of such an institution, have, as far as I am informed, refused to sanction it. Maryland and New York, I know, have done so. They have seen the danger, and learned by our example. Let us for some time learn by theirs. Such an institution might in time be formidable to the whole united states.

I cheerfully acknowledge, however, the great merit of the worthy gentleman who has informed us that he laid the plan of the bank, and led it into operations. I acknowledge that the bank has been of great service to the united states—not in our darkest times—for these were in some measure over, when Cornwallis was taken—which was before the bank existed. But the service was reciprocal. It was part of the French money, to the value of which the united states became stockholders, that enabled the bank to open its operations: and if that institution was, for a part of the next season, of essential service, it was but a suitable return: and the financier, for making so proper a use of it, deserves and

and enjoys great credit. But the public are not indebted to this institution—or, if they are, they will doubtless give that debt a preference to debts even much earlier contracted. Congress money did us essential service in our darkest hours: shall it, therefore, be continued? No: it became dangerous; and consequently ceased. The army were no longer necessary, and would have been dangerous; and were therefore discontinued. General Washington, with all the virtue and glory of his persevering services, resigned his honours and authority, when he ceased to be necessary—though he did not cease to be either useful or safe. If we must be saddled with this dangerous institution for ever, because of its former usefulness and convenience, surely Oliver Cromwell should have been rewarded in England by the continuing his heirs to occupy the government, instead of being branded as a usurper, and “damned to everlasting fame.” By the same rule, despotic government, which is the most convenient, ought always to be preferred and continued.

One other observation occurs to me, which I have often thought of, and to which I yet request the attention of the house. If a bank is supported in Philadelphia, it will give another kind of credit, and another kind of circulating medium to the city and its vicinity, than to the more remote parts of this extended state: and the bank may increase the circulating medium to any quantity it pleases, which will occasion an artificial increase in the prices of things, and the manner of living. It will gradually affect the interests, manners, and habits, with such distinguishing peculiarities, as will occasion sooner or later a dissolution or separation of this state. This would be a very undesirable event: and yet the instituting a bank can scarcely fail producing it. Perhaps, when this event takes place, this city and a small territory around it, may, like Hamburgh and Dantzick, not only promote monopolies, but have its foundation placed in the principles of monopoly and aristocracy. For the common interest of Pennsylvania, for the honour and advantage of human nature, I wish such events may be at a great distance.

Mr. Fitzsimons. The gentleman has mis-stated some of the observations I made. I did not say I had canvassed for my own seat: that is not the truth. Whether my seat is more beneficial to me, than that gentleman's to him, I leave the house to judge.

Mr. Lollar. I beg to detain the house a few minutes. A gentleman

gentleman from the city [Mr. R. Morris] has been a little facetious in his remarks on some of the arguments I made use of on Wednesday. I confess his superior knowledge, and do not pretend to oppose mine to his. However, when a matter amounts to a self-evident proposition, I think myself qualified to form an opinion on it. I said that the bank facilitated commerce—which, in the present state of our trade was against it, as it enabled the British creditor to carry off cash for his goods, and fuddle the merchant here with the payment, in the hasty manner prescribed by the bank. From this he drew an inference, that I was opposed to the payment of our debts—which is by no means the case. With respect to partiality or favouritism, I did not charge the directors with it—I only read part of the petition from Chester county, presented to the late house against the bank, to evince how much was in their power. I said that under the old government, they had no idea of a bank. To this the gentleman answers, by telling us he, at that time, had one in contemplation. I do not doubt the fertility of the gentleman's imagination. He is certainly competent to the forming that or any similar plan: and probably the present bank is the very one he had then in view.

I do not pretend to call in question the usefulness of the bank during the war. The officers and soldiers of our army were likewise useful during the war: but would we infer from thence that they should be still kept up? The profits of the bank have well paid for its services. Our officers and soldiers have been dismissed with a commutation of pay for five years.

The gentleman tells us, that if the legislature were to grant a monopoly of particular branches of our trade to any set of men, the laws granting such monopoly, would be void in themselves; and seems to think that the law annulling the charter of the bank, is a nullity—If that be the case, the incorporating law was equally a nullity.

Another member from the city tells us, he has had the honour of being a director of the bank since its first establishment. He might have added, that so he would remain during life, if the present mode of voting according to property, continued. In the bank of England, (if I am rightly informed) every person possessed of a share of 500l. has a vote; and those possessed of a number of shares, no more.

When another bank was attempted to be established in this city, the president and directors, by lowering their

terms,

drew it into their vortex: and thus defeated the attempt.

The bank is not compatible with our constitution, which does not admit of granting peculiar privileges to any body of men.

On motion ordered that the further consideration of the report be postponed.

Adjourned till three o'clock in the afternoon.

Eodem Die, P. M.

RESUMED the consideration of the report, &c.
Mr. R. Morris. The gentlemen from the country, by fixing such short adjournments, make this a hard service. They scarcely allow us time to take a comfortable dinner and glass of wine, before we are obliged to return to the charge: however, though they are impatient to return home, they should allow us time to consider and digest the arguments used upon this floor. It would be but decent to do so. I shall now endeavour to follow and discuss the arguments of those gentlemen who have spoken against the bank in the present debate: many of them I consider as totally unnecessary; and such I mean to pass by unnoticed.

The gentleman from Cumberland began his oration by telling us, that he still retained his own opinion; and should continue to do so, until he heard better reasons than those yet offered. I never heard any declaration from that gentleman's lips, which obtained more credit with me than this. I do sincerely believe, that he does and will retain his opinion. Even were an angel from heaven sent with proper arguments to convince him of his error, it would make no alteration with him. I did not—I could not entertain the least expectation that my colleagues or myself should be able to produce any effect upon so predetermined a mind as his.

This gentleman went into a discussion of the report now before us, in which I do not mean to follow him. The committee who brought in that report, have justified it: and I have already given it all the support which to me appears necessary.

He has admitted that the committee of the late house made no enquiries respecting the bank, although they were directed to do so: and seems to insist that such enquiries were unnecessary, because the popular opinions, he says, were against the bank. But where did he collect the popular

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lar opinions? How were such opinions communicated? Had he, indeed, said that the opinion of a party was against it, he would have said right. But was the popular opinion communicated by 1199 petitioners, even when opposed by upwards of 600 remonstrants? According to the doctrine of another gentleman on his side of the question, near 3000 petitioners (unopposed) do not at this time convey the popular opinion. But even if we suppose the late house to have been possessed of the popular opinion, I deny that this was proper ground, on which to found legislative acts: nor can it warrant or justify the proceedings of the late assembly with regard to the bank. Popular opinions originate with individuals: false appearances are frequently given by those who have secret designs: and men for the most part take them on trust. Specious arguments and groundless assertions take place of reason; and run away with what is called popular opinions. The conduct of an assembly founded upon such opinions, will not support itself. If our laws are to be enacted in conformity with popular opinions, they must be altered as such opinions change, which generally happens every two or three months: for opinions, taken up hastily, and propagated for party purposes, cannot hold long. If, indeed, a popular opinion appears to have reason and justice for its basis, then it is well to make it the ground of our proceedings. But who is to judge? The representatives of the people: and when popular opinions run counter to reason, they should counteract their influence, by shewing them to be wrong, and not pass acts in compliance with them.

The gentleman complains, that the committee of the late house have been censured for not calling at the bank—laying great stress upon—“calling at.” If that committee thought it inconsistent with their dignity to call at the bank, they might have obtained the necessary information without calling there. The president and directors would have waited upon that committee as readily as they have done on the committee of this house; and would have answered such questions as they might have thought proper to put to them. But he asks, “of what use would it have been, to make enquiry at the bank? Would the president and directors have made answer to criminate themselves? Would they have told us that the institution was dangerous to the welfare of the state?” To this I answer, that had proper questions been asked, proper answers might have been obtained: and al-

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though the president and directors would not criminate themselves, yet we know, that, in the examination of witnesses, truth is frequently discovered, even when endeavours are made to conceal it. But, in this case, there could have been no cause of concealment.

I have mentioned in the course of this debate, that had the committee called upon me, I should have given them, (and upon oath if required) the same information respecting the services derived by the united states from the bank, as I have had the honour to relate to this house. The gentleman asks, why apply to me, who would have given the same kind of answers as the president and directors? Let us examine the force of this reasoning. I am no otherwise interested in the bank, than as a stockholder; and my bank stock is more easily disposed of, or parted with, than any other of my property, except cash. Suppose, then, that inclination, necessity, or any other circumstance, should happen to induce me to sell my stock, from that moment I cease to be immediately or personally interested in that institution. But this is not the case with me as a member of the community. My landed estate—my family—and likewise the interest I hold in common with other citizens—must attach me too strongly to the general welfare of the state, to admit of a possibility that I should engage in the support of an institution incompatible with the public safety. Should I sell my stock, the purchaser becomes interested in the support of the institution, instead of my being so: and in that case, I should be no otherwise concerned in its support, than as a citizen believing it to be of general benefit: and as such I am persuaded that I should as solicitous as I am at present. The gentlemen opposed to the bank constantly hold out the idea, that the persons interested in it, are always the same—and that it is a monopoly confined to a few. Now it is certain, that on the contrary, the property in bank stock is constantly changing hands. Where, then, is this permanent interest that should induce us to sacrifice the good of the country to the good of that establishment? The market is constantly open for the sale and purchase of this bank stock: and if the gentlemen in opposition seriously believe in the advantages which they say are derived from holding that stock, why do they not invest some part of their property in it—for property they have—and there are always shares to be sold?

The holders of that stock differ as widely, I presume, in their political principles, views, pursuits and desires, as the holders

holders of lands, houses, or other property. These gentlemen may, when they please, be of the number. How, then, is this cry of monopoly supported? My information is not to be trusted, because I am interested in the bank: but surely I am more deeply interested in the state—and that in a way too that it is hardly possible for me to detach myself from it, were I so inclined. But very different is my situation with respect to the bank. I am as deeply concerned to obtain good laws, and to enforce the due execution of them, as any gentleman in this house: and I hope, notwithstanding the insinuation made, that it will never be supposed I would sacrifice the interest and welfare of the state to any interest I can possibly hold in the bank.

Such of the members of this house, as are disposed to give a fair and candid discussion to the arguments used in this debate, will see clearly that the bank is neither dangerous to, nor incompatible with, the welfare of the state: and these were the assumed principles upon which the repealing law was founded. If that assumption was taken up lightly and upon false grounds, as my reasoning tends to prove, I hope gentlemen will give that reasoning its just weight: for I cannot see why it should lose its force, on the supposition of my being interested in the event. Let the arguments used, be considered, not as coming from parties interested, but abstractedly as to their force and solidity.

The gentleman tells us, that the bank issues paper on the credit of the money in its vaults—and that its discounts being confined to forty-five days, the farmer can derive no benefit from such limited loans. If the state will deposit hard money in the hands of the treasurer, for the purpose of exchanging it on demand on the paper they may issue on the credit of such deposits, no doubt can be entertained but the state paper, under such circumstances, will have full credit.

In the notes which I have taken of the speeches of my opponents, I so frequently meet with paper money—paper money—paper money—that it will be impracticable for me to follow them throughout on that topic, and speak to it as often as they have done. I find, however, this is the great fore; and cannot help expressing my astonishment at this constant cry for paper money by the country gentlemen, when it is notorious that they will not sell the produce of their farms for it. No merchant, with ever so much paper money at command, can purchase the produce of the coun-

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try for exportation. Therefore I cannot ascribe this constant clamour about paper money to any other cause than a desire to pay debts with less than their just amount, or to purchase lands at less than their value. I insist that there is no necessity for paper money. No industrious man, in his individual capacity, can feel a want of it: and wherever it is emitted, it will be more likely to produce public mischief than public good. This question of paper money has been agitated in several of the states; and been rejected by Massachusetts, Rhode Island, New Jersey, and Maryland: it is now pending in New York, where it is said it will also be rejected. I think I may safely say that this cry for paper money is not a popular cry, whilst those who ask it, refuse to give it currency, by refusing to part with their produce for it. Yet these same patriots are constantly reproaching the bank as the cause of that want of credit, which themselves occasion to the paper money.

The gentleman complained that the members of the committee of the late house were called upon to defend themselves. It is true, they stand charged with not having done their duty: but they are at liberty to defend themselves against the charge, if they can, or to let it alone. He said also that it is indecent to investigate the proceedings of a former house of assembly. But if he examines the journals, he will find precedents; and see that other houses have canvassed the conduct of their predecessors, and even that he has himself been an active agent therein. He must not expect to escape scrutiny; nor must this house. Those amongst us, who may be returned to occupy those seats next year, may be called upon to justify the conduct of this house, or of themselves: for my part, I hope to retire, and remain a private citizen, which suits both my inclination and affairs much better than to be in public life, for which I do not find myself very well qualified; and am, therefore, inclined to leave my place to those that are. But so long as I act a part in public life, so long I expect my conduct to be examined: and however disagreeable this may be to some gentlemen, there is no remedy but to bear it patiently.

All the gentlemen who have spoken against the bank, have plumed themselves much upon a supposition that the learned counsel who pleaded the cause of that institution before the late assembly, had conceded this point, that when the balance of trade is against a country, a bank is injurious to that country. I am well acquainted with that gentle-

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man's extensive abilities, and shall ever acknowledge them—but with all deference, I shall venture to say, that if he made such a concession, he was not authorised either by his employers, or by the fact. But was such a concession made? examine the whole of his reasoning on that point, he, I am authorised to say, considers it differently. Such a concession was neither intended nor meant to be made by him. The present state of our trade, when the balance is against us, may be, and is extremely injurious to the operations of the bank—not the bank injurious to trade or the country: and it is that which the learned counsel had in view, if I am not much mistaken.

The balance of trade is much spoken of in this debate: but I doubt if it be a subject well understood. Since the conclusion of the war, the balance of trade has been against us, and still continues to be so. The cause I have already stated in part, when I mentioned that the sanguine expectations which foreigners formed of reaping immense profits by adventuring to this country, had caused such vast importations of manufactures, as will require time to enable us to discharge the sum for which they were sold to our citizens.

The evils consequent to such immense importations, are at an end. The first adventurers have paid so dearly for their rash undertakings, and so many have been ruined, that this adventurous spirit is cured. Our own importers have been involved in the general calamity. Each imported goods agreeably to what he thought the wants of the country: and having sold them to shopkeepers and others, who, from the then state of cultivation of the country, and consequent deficiency of produce, were unable to pay, they are disabled from making remittances: and for want of those remittances, their credit, if not totally lost, is greatly injured in Europe; so that it will not speedily be in their power to renew excessive importations. This loss of credit may be considered in a two-fold point of view—either as a misfortune, or as of service to the country in general—which it will prove, is in the womb of time to shew: but I am of opinion, that wise laws, calculated to establish punctuality in our dealings, may turn the present loss of credit to future advantage. The people are falling into their former habits of industry and frugality. We may, therefore, reasonably expect that agriculture will flourish, and the state of cultivation in America surpass what was its most flourishing condition previous to the revolution. The balance of trade will then be
turned

turned in our favour: and specie will return as fast as it has lately been drained away. This situation of things is not very distant: and there is no occasion to destroy the bank on account of the balance of trade on which it has no influence.

It is said, that so great an estate as that of the bank, in the hands of a few, must be dangerous. This is supposing the capital of ten millions of dollars to be completed; and that in that case, it must carry all before it: whereas the present capital does not amount to one million, which belongs to many, and not to a few. And the stock cannot be accumulated, so as to be injurious, as the gentlemen assert, and still be confined to the hands of a few persons: for it can only accumulate by increasing the number of stockholders. I should not have touched upon this, but to shew the fallacy of their arguments.

The member from Cumberland complains, that the assembly which granted the charter, did not know the by-laws and regulations previous to making the grant. True, they did not: and they must have been witches, indeed, to have known them, for I believe they were not then formed: but any thing will serve as a charge against the bank: and this may do as well as any of the rest.

He asks, "how can the farmers derive benefit from the bank? If they cannot obtain loans, they cannot raise produce; and they cannot have loans without a loan office; and without produce, we can have no trade; we cannot have a loan office without paper money; and we cannot get hard money to supply our necessities, for it is in the bank," &c. &c. Having already answered in the course of the debate, those points which are urged and repeated again and again, without regard to what has been said in contradiction or explanation—I shall now only observe, that so long as men are made as they are at present, they will cultivate the earth, and raise produce: whether this is effected by the mere efforts of industry, or with the aid of loans, is immaterial: and while there is produce to spare, there will be commerce. Therefore let the landed and commercial interest shake hands, for they do and must promote each others advantage.

This member again asserts, that there is not hard money sufficient for the establishment of a loan office—it is in the bank. A stranger hearing this complaint so often repeated, would suppose that all the hard money in the state was in the bank, and no possibility to come at it; that it was locked up

there, and the people deprived of all use of it. Hundreds here present know the contrary. Whoever visits the bank, will see some people constantly bringing in money, and some taking it away:—the bank being, with respect to the circulation of specie, as the heart to the circulation of blood.

The same gentleman says, that the bank has made sixteen per cent. by its stock, or perhaps more—and that this must be done by extortion. He should have been tender of making this charge without being possessed of proofs to support it. If he can prove it, I shall not offer another word in favour of the bank.

Mr. Whitehill. I did not say it was by extortion.

Mr. R. Morris. I shall not insist upon the matter, but shall take the gentleman's own explanation. I have already said, and I am warranted in asserting it, that the profits of the bank do not exceed 8 per cent. on an average. At the time the high dividends were made, the capital of the bank was small, and the exigencies of the united states required large advances and discounts—there were, besides, numerous private calls for discounts which could not be refused: and the directors were compelled to discount more heavily in proportion to their stock than they wished. During that period, the united states shared in those dividends of 10 to 16 per cent. per annum, and paid only 6 per cent. per annum for what they borrowed. These high profits arose from accidental circumstances, as I have mentioned, and, if needful, can prove—for I know the fact to be so.

In my notes I meet with a jumble of assertions made by this member—but no attempt to answer the arguments I offered yesterday. The gentleman asks, shall the state give way to the bank, or the bank to the state? and adds, that the bank should not interfere with the state. By the state I suppose he means a party in the state. I wish the state had not interfered with the bank—and the bank would never interfere with the state.

He speaks with severity of the trouble the house have had with the bank—how frequently it has been before the assemblies—and the waste of time and money thereby occasioned. The business of a bank was first brought before the assembly of this state, by recommendation of congress. It became a duty of the president and directors to apply to that house for a charter: they did so, and it was obtained. The second time the president and directors of the bank applied to the legislature, was in opposition to an application made by certain

tain persons inimical to the existing bank, for an act to establish another. This attempt to establish another bank, had for its object, the destruction of the bank of North America. The motives were neither founded in reason nor any desire to promote the public welfare: and the president and directors conceived it a duty due to their constituents that they should come before that assembly and endeavour to shew the pernicious tendency of that measure. The third time they appeared, was in opposition to certain petitions, praying to have their charter taken away. I suppose the gentleman thought them troublesome at that time, as well as now: but their appearance was then unavoidable. The petitioners in this third instance, as well as in the second, brought them before the house. And how is the bank brought before us now, for the fourth time? The stockholders had determined not to trouble us—they had determined on an appeal to another place: therefore the memorial of the president and directors presented the last session, is not the foundation of the present proceedings. But a large number of our fellow citizens have, by petition and memorial, called upon this house to repeal the law passed last year for annulling the charter of the bank. If the gentleman finds it troublesome to receive such petitions, let him say so; and not cry out against the president and directors as if they caused the trouble he complains of; for it is not so.

The gentleman says, this house does not know the state of the bank, or whether the president and directors are able to pay their notes. To which I answer, that this house has no right to know the state of the bank. We are not asked to trust them, or to take their notes. Those who entrust their money in the bank, or take its notes, may ask such questions: but I believe they do not think it necessary: if they did, I am persuaded that full and ample satisfaction would be given. He says, that the memorialists in favour of the bank, do not understand the nature of it. I believe they know at least as much as the petitioners against it. The memorialists have pretty generally felt the benefits resulting from it:—those from the country, by finding a quick sale and ready money for their produce, and receiving this ready money at the bank, saw that the institution was beneficial and convenient: and so seeing, they can easily comprehend that the attempt to suppress it is injurious to the country.

As to the number of signers to those memorials or petitions in favor of the bank, this gentleman lays no stress on them:

them: for with proper exertions of industry, says he, twenty or thirty thousand signers might be got to expunge the bank. In short, this gentleman is constantly making assertions, which he cannot, or does not, support with argument: and therefore I must meet him with an assertion in this point, which is, that with less exertion or industry can twenty or thirty thousand signers be obtained in support of the bank.

Having now done with the member from Cumberland, I proceed to examine the arguments adduced by a gentleman,* for whose understanding and abilities I have great respect; and who generally supports what he undertakes to defend, not only with strength of reasoning, but manages it with candour. I cannot, however, help observing, that he has deviated more from that candid line of conduct in this debate, than I have ever known him to do before.

He says the present house is not to enquire into what has been done by the late one—but whether sufficient reasons now exist, to warrant a renewal of the charter; and adds, that in all governments there must be a power lodged somewhere, which has a right to give and a right to take away.

I agree that in all governments, supreme power must be lodged somewhere. In ours, the assembly has the sole right of granting charters—but no right to take them away. The power there goes on a different principle: and so it does in all except arbitrary governments. In Great Britain, the sovereign grants charters, but he cannot take them away: the laws of the land have pointed out another mode of annulling them. As well may it be said that the assembly of this state, having exercised their sovereign authority in the establishment of a land office, from whence grants of lands are made to individuals, have a right to exercise the same sovereign authority by destroying that office, and resuming the lands again. This would be exercising the power to give, and the power to take away: but the assembly has no right to such power: if it has, God help us! There are certain forms by which an individual may lose his lands; but never, I hope, by a wanton act of legislative power. A considerable part of its time has been spent by this house in granting charters of incorporation to religious societies, which are asked for the purpose of enabling them to receive donations and legacies, for the support of ministers and payment of contingent charges, &c. If those charters may be revoked at will, I should not be surpris'd to see it done a few years hence, on some pretence or other.

* Mr. Finlay.

What

What then is to become of the capital they may have respectively accumulated by means of the donations and legacies received in the mean time? Probably a certain gentleman, who is fond of escheats, may, if then in power, urge that the state should be heir to the corporations which suffer political death. What a hopeful situation must the country be in, under such systems as these! This gentleman says, let us examine our government—It is a democracy, and gives to all men equal rights: and agrarian laws may not be incompatible with the spirit of it: but we are not yet arrived at the period when such laws would be proper. I trust this member has better principles than to advocate so wicked a measure as a general division of property.

Mr. Finlay. I beg leave to explain. What I said, was, that agrarian laws would be unjust in our present situation.

Mr. R. Morris. They are unjust in all cases. The gentleman has remarked, “that wealth has a tendency to counteract our manners and the principles of our government. Why then should we give sanction, says he, to an institution founded on wealth? The stockholders must be men of wealth,” &c.

If wealth be so obnoxious, I ask this gentleman why is he so eager in the pursuit of it? I frequently see him visiting the land office: Those visits, I presume, are not for pastime; although I do not doubt but they are for very proper purposes.—

Mr. Finlay. I never took up a foot of land in my life. What business I have transacted at that office, has been to serve others.

Mr. R. Morris. I have heard that some of the country gentlemen, whilst they are here attending in assembly, take up lands for their neighbours—and receive so much per cent. for transacting the business in the office.

Mr. Finlay. I must again set the gentleman right. I never received a farthing for such business in my life.

Mr. R. Morris. The gentleman has told us they had no banks in Rome, during the days of the republic. The Romans were a very different sort of people from the Pennsylvanians. They did in their days what they thought right and proper for them to do: but their conduct in this respect can never serve as a rule for ours.

“The object of the bank, he says, is gain—It is managed by themselves, that is, by the stockholders—and they have it always in view to *lift* their gain—Equality is the darling

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of our government—and the constitution says government is instituted to preserve equal privileges, &c.—the bank, he says, cannot be common amongst the citizens, and is therefore contrary to the constitution—and being perpetual, it is contrary to our laws, habits, manners,” &c.

The charter of the bank being perpetual, is made use of as a strong argument against it: but really I do not know why we are told that the constitution is liable to change every seven years; and therefore it is inferred that the bank should not have longer duration: although the charter is perpetual, the stockholders are and will be constantly changing. It has been said that the charter is only a piece of paper, which the house may throw in the fire at pleasure. I say it did not derive its value from its being written on paper, but from having received the sanction of the legislature, which the house cannot so easily get rid of, as of the paper.

How does it appear that the bank is not common to our citizens? All of them who have money and inclination, may buy shares, or deposit there, at pleasure. How does it appear that the bank is contrary to our laws, habits, manners and customs? While the law incorporating the bank had existence, it certainly was consistent with our laws: and continues so now, while conducted as a private bank, against which there is no law. It consists well with our habits and customs—for we find the people in the daily habit and custom of lodging their money in the bank, and taking it away again at pleasure.

This gentleman has spoken of the low ebb of our commerce; and says it is almost entirely confined to importation: and he has remarked upon what fell from me, relative to Ireland not being a commercial nation. I hope I did not wound the gentleman's feelings, nor those of any other Irishman who heard me: it was far from my intention. I have been in Ireland—have experienced the hospitality of its inhabitants—and will venture to say, there are few people, not Irish, who entertain greater esteem for the country and people than I do: many of my intimacies are with gentlemen from that country—some of whom are now my hearers, and know the truth of what I say. All I meant was, that Ireland was not the most proper country in the world, to furnish us with precedents in commercial matters. I am not now to learn, that she exports large quantities of beef, butter and pork, and some manufactures: but still her trade is confined. I hope she has now laid the foundation for an enlarged

enlarged commerce: and none will rejoice more than I shall, to see it extended to her greatest advantage.

The commerce of America is really, as the gentleman says, at a low ebb. It was on a much more respectable footing before the late war, than it is at present. We then exported large quantities of wheat, flour, Indian corn, beef, butter, pork, iron, lumber, and other articles, from this port. The neighbouring provinces made the like exports. New-England exported fish, oil, whalebone, &c. Maryland and Virginia, tobacco, provisions, iron, lumber, &c. North Carolina, naval stores; South Carolina and Georgia, rice, indigo, peltries, &c. and every part of the continent had staple commodities suited to the consumption of foreign markets, which enabled us to pay for the things we had occasion to import. Certain it is, that our exports are now much less than they were then, which is somewhat surprising, as every article of produce commands a good price, and nothing remains on hand to perish for want of purchasers. Whether this decrease of exports is the consequence of less culture of the country, or of an increased home consumption, I cannot decide. But this is certain, that the returning habits of industry, with the daily progress of population, must give an amazing increase of produce for exportation: and I should not be surprised, were this to happen much sooner than even the most sanguine expectations point out. If the position be true, that we are in a miserable situation so long as our imports exceed our exports—I hope it will be admitted, and soon be experienced, that the reverse of that position will place us in a flourishing state. But that the bank facilitates those importations, I have already denied; and have in some degree proved the contrary: and were it necessary, further proof might be adduced, although it seems improper to prove a negative.

The gentleman observes that after the establishment of the bank, a great number of bankruptcies happened. But what is this to the bank? If he means to charge the bank as the cause of them, he ought to have shewn it, and to have named the instances. But he could do neither the one nor the other. Those bankruptcies were occasioned by very different circumstances: particularly many of them were occasioned by the parties having at the approach of peace, (which they did not foresee or believe) imported or purchased large quantities of goods, which had cost the advanced prices of war time, with the high rates of freight and insurance

insurance—so that from the large importations subsequent to the conclusion of peace, at a lower cost, and vastly cheaper rates of freight and insurance, they were disabled from selling those goods but at an immense loss. The vendues were crowded with them—those who were distressed, being forced to sell: and several who were able to stand the shock, have of those dear-bought goods, many on hands to this day. These are amongst the circumstances that brought on the greater part of those bankruptcies which are alluded to. But is the bank to be charged as accessory thereto, merely because they happened about that time? Surely not: on the contrary, many were saved by the seasonable aids which they derived from it.

He says the arts of the directors of the bank, to prevent exportation of specie, are contemptible. One of the charges made against the bank, is, that it has a direct tendency to banish specie: In defending it against this charge, it is first shewn that the bank is interested in preventing the export of specie; and then some of the means made use of, are mentioned: upon this, the cry is changed: the gentleman loses sight of the first charge, and exclaims that the arts used, are contemptible. Why should we not, says he, pay our debts, when we have contracted them? I agree that we ought and must pay our debts: and other means failing, the specie must go for the purpose: and as we agree in this, I hope he will also agree to exculpate the bank from the charge of banishing the specie: for the bank neither encourages, gives aid, or facility to the contracting of those debts: the bank gives neither credit nor security for debts contracted in Europe: and it is for the payment of those debts that specie is exported.

Our importations, he says, are too extensive. Agreed: but why bring this in as a charge against the bank? Has the bank engaged in commerce? Have the president and directors made any importations for the benefit of the institution? No. They are restrained by the charter from engaging in commerce.

The influence of the bank is again brought up. I have already observed, that such influence, if it exists at all, can never extend beyond the city: and even there, the necessity of sometimes refusing discounts, creates more enemies, than granting them makes friends. Probably, the gentleman may think that I stand indebted to this kind of influence for my seat in this house; but I promise him, that if I had

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thought so, I would not have accepted it. I am of too independent a spirit to accept any station or office that can be offered to me, unless I were convinced that the offer was made from public confidence in my being able to render the service expected of me. This influence has never existed: neither my colleagues nor myself owe any thing to it.

The gentleman has found a very ingenious argument to prove that our present paper money has the confidence of the people—that is, its quick circulation. But I attribute that quickness of circulation to a totally different cause, viz. the want of that confidence. It began to be issued in July last: and nearly the whole of the emission had returned into the treasury in October or November. It was pushed from hand to hand, like the lighted stick in the play of “Jack’s alive, and alive like to be,” each holder fearing that it should die in his hands: and it is laughable to hear this gentleman congratulate the state on the returning confidence and virtue of the people, in receiving and paying this paper so quick. I must claim my share of this merit: for I acknowledge, I have assisted this quick circulation (so much admired by the worthy member) by parting with it as soon as possible after it came to my hands.

The memorial of the committee of merchants against paper money, is charged as proof against the bank on that subject: but even supposing the whole committee of merchants to be stockholders, the stock they may respectively possess, does not exceed two, three, four or five shares, amounting to 800, 1200, 1600, or 2000 dollars: and is this the great matter that could induce them to oppose paper money, if there were no other considerations? This interest in bank stock is not permanent—but changeable: and their shares, if they hold any, could only influence during the time they possessed them. But in common charity, these gentlemen ought to suppose that so respectable a set of men have some other principle of conduct than merely self-interest.

The letter from the president of the bank, offering a loan of money to the state, to prevent the necessity of issuing paper money, is now become a charge also, against the institution—because it is an evidence of the directors being opposed to paper money. Now, in my opinion, this letter proves their merit: they thought paper money would be injurious to the state; and therefore they offered to lend what was wanted, rather than it should sustain that injury.

jury. It may be said they offered to lend what was wanted, rather than the bank should sustain the injury which paper money would do it. Agreed: the interest of the state and of the bank are the same in this, as they are in all other instances.

The opposers of the bank, we are told, have no private interest to serve by their opposition. But so long as they regard the bank and its supporters as one party, and themselves as another, they are as much interested in the question as their opponents. In fact, we have all one common interest in the welfare of our country: and although the defenders of the bank may have a small and separate interest in that institution, I am confident there is not one of us that would urge the restoring of the charter, if we regarded it as incompatible with the public welfare. The member from Westmoreland asks, can it be supposed that the gentlemen on his side of the question would oppose the bank from mere motives of envy? I believe that if they had been left fairly to themselves, they would not have opposed it at all—or at least that they would not now oppose it: but there are others at the bottom of this opposition—people who feel a political interest in the matter, whose suspicions have been roused, by the dread of phantoms presented to their imagination through the medium of envy and jealousy. I could speak plainer—but it is unnecessary.

This same gentleman draws a curious conclusion, from my having, as he states it, formed an expectation that the judges, however opposed individually to the bank, would in the courts decide in its favour. His conclusion is, that I depend on bank influence to obtain such a decision. But the question to be decided in the courts, is not whether the bank is useful or injurious? It is, whether a charter once granted, can be annulled without proof or even pretence of forfeiture? This is a general question, affecting all corporations: and however some of the judges might be inclined to oppose the bank, I still rest satisfied in my opinion of the integrity of their decision, and in my belief that they will be too regardful of their law characters, which become an object for history, ever to subject the judgment seat to reproach.

In reply to my observations respecting the difficulty of selling inward and purchasing outward cargoes for shipping, he asks, how were our ships loaded before the revolution? I answer, and the fact is well known, that delays frequently, I
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may say constantly occurred for want of facilities in raising money, and the merchant had it not always in his power to purchase the produce brought to market by the farmer. The bank has remedied this inconvenience to both: destroy the bank, and I have no doubt the case will again become familiar to the most respectable traders.

He has observed that this is the only state saddled with a bank, altho' attempts to establish them have not been wanting at Boston, New York and Baltimore. But this observation will not serve the gentleman. At Boston they have an established bank, countenanced and incorporated by the government. At New-York they have a bank: a charter has not been obtained—but I have been informed that it was withheld, when applied for, only because the persons applying for it, were obnoxious to government. The attempt to establish a bank at Baltimore, failed for want of subscriptions to a sufficient amount of capital, and not for want of a charter. However, if the bank in this city be destroyed, I venture to pronounce, that banks will soon be established both in New-York and Baltimore: and our measures will give great advantage to those places, which are usually considered as our dangerous rivals.

I might follow this gentleman's observations still further; but not having, on account of his absence, been much used to his voice of late, and from his speaking rather low at times, I found difficulty in taking notes of all he said. I wish, however, that he had addressed our understanding, by speaking to facts—instead of appealing to our feelings, by arguments drawn from what he calls the nature of things. In this he has shewn more address and judgment than candour.

Considering what has fallen from the member from Montgomery county [Mr. Lollar] this morning, as a kind of apology for what he said on the first day, I shall pass it over without remark, and proceed to make some general observations.

The report of the committee of last year contains matter of opinion only, and of opinions unsupported by fact. The bank is said to be of no use to the farmer: I beg leave to ask, whether it is not useful to the farmer to meet a ready sale for his produce? If it be, I insist that the bank, in its operations, is useful to the farmer. I have heretofore experienced the inconvenience arising from the want of a bank. When produce has been in plenty at market, and I been eagerly bent on the purchase of it, although possessed of property

erty sufficient, I could not command money for the purpose; and the farmer could not sell upon credit: thus both have suffered distress, which would have been relieved by a bank. The exports in those days were very considerable:—the house of which I was then a member, have shipped in one year from forty to fifty thousand barrels of flour, and other articles in proportion. Such purchases required large sums of money: and these were extremely difficult to raise.

The quantity of produce for exportation, will now be increased every year: and the demand for money will also increase. If the bank be destroyed, the merchants of these days, will experience the difficulties I have mentioned. The farmers and millers bringing their produce to market, must wait for the sale, until money can be raised. They will be frequently compelled to sell at reduced prices, such as a chance monied man may please to offer: or they must place their goods in the hands of factors, who must derive their advantage by way of commission, storage, and charges, all which the farmer must pay. Whereas, if a bank is suffered to exist in full force, the merchant's occasional necessities can be relieved by discounts, and the farmer meet with ready sale for his produce. This I conceive to be the greatest use the farmers can wish to derive from the bank.

The first attack on the bank, gave a check to the price of produce, which has continued to be felt ever since: and if the bank be destroyed, those farmers who raise more than they consume, will become sensible of the consequences.

The bank, we are told, not only does not lend to the farmers—but prevents their getting money on loan. This I deny. Millers and farmers of responsibility, if they have connections in the city to indorse their notes, can procure discounts at the bank, as readily as the citizens of Philadelphia. In order to consider properly the charge that the bank prevents people from lending their money on bond and mortgage, which they say it effects, by the enormous dividends drawn upon bank stock, it is necessary to state the amount of that stock, and to whom it belongs:—

The stock at present amounts to \$70,400 dollars, which, divided by 400, gives 2176 shares, whereof 285 shares belong to foreigners, of which nine tenths to Holland. None of the money invested in these shares, would, if there was no bank, be lent in this state upon bond and mortgage, we may safely conclude. Various have been the applications made by our citizens to borrow money in Europe, particu-

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larly in Holland: and altho' the best landed security which this country affords, has been offered, yet every application has failed; and not a single shilling has been obtained that I could ever learn. Six hundred and six shares belong to inhabitants of New Hampshire, Massachusetts, Connecticut, New York, New Jersey, Delaware, and Virginia: a considerable part of these shares were subscribed during the war, by persons stimulated thereto by the belief that placing a part of their funds in the bank of North America, would afford a great aid to the cause of the united states. These shares are divided among many individuals: can it, therefore, be believed, that any part of the money paid for these shares, would, upon a dissolution of the bank, be lent upon bond and mortgage to our citizens? If those stockholders were disposed to lend in that manner, it would, doubtless, be in their own respective states, to their own fellow-citizens, within their own view, and within the protection of those laws under which they live.—Six shares are held by inhabitants of Chester county, one by an inhabitant of Lancaster, five by inhabitants of Westmoreland, twelve by inhabitants of Berks, twelve by inhabitants of Bucks, and fourteen by inhabitants of Philadelphia county. These fifty shares were probably subscribed on the same patriotic principles: and, if the bank were destroyed, it is possible that this money, or some part of it, might be lent upon bond and mortgage. But the whole amount of fifty shares is only 20,000 dollars: and it is doubtful whether any part of even this pittance would be so lent out. The remaining shares, being 1235, belong to citizens of Philadelphia, and principally to the commercial men, whose greatest inducement to continue stockholders, is to support an institution which affords them accommodation and convenience, by means of discounts. With a very few exceptions, we may say that not one dollar of this money, would ever be lent out on bond and mortgage. There are very few if any of this class of stockholders who do not stand in need of the whole of their money in the course of business: and when in need, they borrow occasionally perhaps the whole amount, or more: It is upon these principles, the merchants generally remain stockholders—when one does not want his money, it is earning his share of the dividend from another: and by thus clubbing a capital together, as it were, the occasional wants of all are supplied. But I am perfectly satisfied, that

that none of the money paid for these shares, can be lent on bond and mortgage. Does it not, therefore, appear that this charge is as groundless as the others?

Before the war, monied men were fond of lending upon bond and mortgage: it was a favourite practice; was thought perfectly safe; and enabled those who were advanced in years, to receive an income, so as to live at ease and quiet; and I doubt not this practice might have been revived, had not most of those lenders suffered severely—some in the whole—and others in part; and even those who have escaped loss, are deterred from lending again by the dread of paper money and tender laws; and so long as this dread continues, all hopes must be relinquished, of borrowing upon bond and mortgage.

Whilst the practice of lending upon bond and mortgage existed, there was another practice existed with it. The lenders were chiefly citizens; and for the convenience of collecting the interest on the day it fell due, they preferred lending to those citizens of Philadelphia, who wanted to borrow; so that the farmers, even in those days, could not obtain loans, until the citizens were satisfied; now, should the days of loaning return, the bank will prove useful to the country in that respect; for by the temporary discounts which citizens obtain at the bank, it is probable that most of their wants may be supplied, and thereby their competitions with the farmers be prevented. I have known many a man formerly obliged to borrow money for twelve months, although he only wanted it for three, four or six; but the practice was to lend for twelve; and the capitalists thought it too troublesome to lend for a shorter time. A certain rich citizen of Philadelphia, inimical to the bank, now taken and hugged to the bosoms of those gentlemen who so warmly advocate the interest of the farmers, declares publicly, that he is an enemy to the institution because he could purchase flour cheaper, were it destroyed. From this declaration, the farmers may form some judgment how far the bank is useless or injurious to them.

In effect, the utility of the bank is experienced by every man in the state, at some period or other. I have shewn clearly it is useful to the farmer and miller. The mechanic derives also his share of benefit and convenience from this institution. Punctuality in paying his workmen is of great advantage to the master, and absolutely necessary to the comfortable subsistence of the journeymen. The employer must

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have it in his power to make regular payments to the master mechanic,—or he, in his turn, cannot be punctual. It has heretofore happened, that those who built houses, or gave employment to various trades, have not had it in their power to pay punctually, according to their engagements. The like may be expected again. But in all such cases, on future occasions, relief may be found at the bank. The employer, giving his note to the master, their joint credit, if they are entitled to credit, will procure the sum wanted, by discount at the bank. This observation must strike every mechanic at the first glance; and, if he turns his attention to the subject, his own thoughts will point out various modes by which he may draw resources and conveniences from this institution. In short, the same reasoning will apply to every description of men that have any thing to do with money.

Is it possible, then, that we shall pursue measures for the destruction of an institution so useful? One would think that the first thing which offers itself to our consideration, on the nature of a bank, would be sufficient to prevent the pursuit of such a measure. It is, that a number of persons have placed in the care of the president and directors of the bank a sum of money for the express purpose of lending to those that want to borrow; and this sum those persons (stockholders) cannot draw out again; but it must remain for that use. Besides this, there is also a further sum constantly in the power of the directors, which enables them to extend their loans beyond the capital or stock; and on which part of the profits of the bank arise. The integrity, punctuality and prudence of the president and directors have obtained such credit with the citizens of Philadelphia, that numbers of them deposit their money in bank for safety and convenience. It is received and paid at their pleasure, without expence or risque to the depositor. And the sums so collected to a point, being considerable, the bank is enabled always to lend a part of the money so placed: as it is not in the nature of things that the depositors should all call for their money at one and the same time—consequently, a part of the sum will answer the demands of the whole; and by this means, it must be seen, that sums of money are constantly brought into circulation and use, that would otherwise lie mouldering in the chests of those who would neither lend nor use them; and that the bank, by this credit, is enabled to extend its utility amongst those whose necessities,

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disappointments, interest, or convenience, incline them to borrow.

I have been frequently told, out of doors, although it has not been mentioned here—indeed it could not with propriety be mentioned here—that the opposition to the bank is in part levelled at me personally. If any oppose it in that view, and suppose that my interest would suffer by the annihilation of the bank, they are grossly mistaken. I am not stimulated by the consideration of private interest, to stand forth in defence of the bank: for be assured, sir, that if this be destroyed, another shall arise out of its ashes—one that will be of great advantage to my interest, and to the interest of those who may join me in the establishing it: nay, should I be disappointed in procuring such associates as I would choose in the undertaking, I will establish a bank on my own capital, credit, and resources; and so far from doubting its success, I do not hesitate to pronounce that even my enemies (and God knows I seem to have enough of them—at least political enemies—for I know of no other cause for their being so)—will deal with and trust me; not that I expect they may like me better than now; but they have confidence in me; and, for the sake of their own interest and convenience, they will deal with me.

The gentleman from Westmoreland has acknowledged the utility of the bank during the war; and has drawn a comparison between it and the continental army. The continental army, says he, were useful during the war: and yet we disbanded them. But surely they were not disbanded because they had been useful—but because, when peace was established, they were no longer necessary. He acknowledges that this institution was useful; and yet endeavours to abolish it—because it has been said that it was injurious.

He also made a comparison between the bank and general Washington. I have ever acknowledged the services and merits of that great man. His utility during the war will never be denied: and in his resignation, he acted consistently with that noble and disinterested spirit by which he had been actuated during his command. He did what was expected of him: and it will ever be a part of my pride to join in paying him every tribute of praise. But this comparison ought not to have been made; the general's acceptance of command, and the establishment of the bank, are very different things; and took place on very different principles. The first was the patriotic act of a noble mind, which had not only the

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service of his country, but also honour and glory in view. The last arose from necessity, having also the service of the country for one part of its object, and the interest and emolument of those who should engage in it, for the other. The country has received the service: and now endeavours are used to requite it with ingratitude. But further services and benefits may be expected by America from this bank. We are now at war with the Algerines. Every one knows that peace must be purchased of them with arms or with money. In either case, money is necessary: and we know that the most pressing requisitions of congress, do not prevail with the states to raise it as fast as they ought: nay, whilst the several states are deliberating whether or how they shall raise money, one part of the citizens of the united states are plundered of their property by the seizure of their ships and cargoes; and another part of them are condemned to slavery. Let us suppose that the commissioners employed for the purpose, had so far succeeded, that the Algerines had agreed to make peace, on the receipt of a sum of money—where shall congress get the money? We have not so well enabled them to acquit their engagements in Europe, as to afford any reasonable prospect that they can borrow more. But upon such an occasion, this institution—the bank—might again be of essential service to the united states. In this state, we are now threatened with internal troubles at Wioming: no person can tell what may happen in that quarter: if things go on as they have done, we may be in want of every aid. Where are we to find sudden resources, or the sums that may become necessary to put an end to those troubles, and extend the protection of government over the boundaries of the state? Various circumstances tend to shew, that upon this and every proper occasion, the government of Pennsylvania might be sure to command every aid and assistance which the bank can give: And shall we then, from a mere pretended opinion that this institution has been injurious, “rip up the goose that lays the golden eggs?”

Mr. Smilie said the gentleman had assumed another ground. The debate had, until that stage, been conducted with decency—how far he [Mr. Morris] had departed therefrom, he left those present to judge. The members opposed to the bank were by him charged directly with speculating in the depreciation of the paper money—and indirectly with perjury. He might be under the necessity of recriminating. If he should be obliged to touch upon any circumstances of that

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gentleman's private conduct, he hoped he would bear it patiently.

Ordered, that the further consideration of the report be postponed.

Adjourned.

Saturday, April 1, 1786, A. M.

RESUMED the consideration of the report of the committee, to whom were referred the memorials praying a repeal or suspension of the law annulling the charter of the bank.

Mr. Fitzsimons. After the able discussion which this subject has undergone, little seems to be left for me to say. My worthy colleague, whose knowledge and experience are so superior to mine, has gone largely into it: but as appeals have been made by our opponents to the feelings of the farmer and the tradesman—and as he has left some points untouched—I must pray the attention of the house, while I endeavour to make some observations on them.

If there appears to have been any attempt at reasoning, by those who are opposed to the resolution, it has been by the member from Westmoreland. That gentleman has the capacity of stating clearly, and reasoning justly. If he has failed in either, on the present occasion, it must be imputed rather to the badness of the cause he has undertaken, than to the want of ability in himself.

To his reflections upon government, I shall make little reply. If our habits and our circumstances are not well adapted to our frame of government, it is the fault of those who made it: for our habits and our circumstances were nearly the same as they are at present, when the constitution was formed.

His observations upon trade, being drawn from theory, it would be improper to remark severely on them: but it may not be unuseful to shew they are not well grounded.

His arguments went to prove, that our imports exceeding our exports to a very great amount, must prove injurious—in short, they went to prove, that our trade, as it is at present, ought not to be encouraged. But these opinions, as well as some others that have been advanced in the course of this debate, have been taken upon trust: and though they may correspond very well with the situation of Westmoreland county, and some others which are not within reach of

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a seaport to dispose of their products—it will be difficult to persuade those farmers who have been accustomed to bring the produce of their industry to this city, and receive money for it, that trade is injurious. I believe experience has fully proved the contrary; and that the commerce of Pennsylvania has been eminently useful in promoting and encouraging its agriculture and improvements.

As to the trade of import, which the gentleman conceives to operate so forcibly to our ruin, I do not wonder he should not be well informed respecting it: as I find many hold that opinion, who have better means of information. Immediately after the peace took place, the importations were very great. The people in Europe seem to have considered Philadelphia as the emporium of America; and directed their operations to it accordingly: but does that gentleman know what part of those importations was again exported? Does he know that we have usually imported for the consumption of West Jersey, Delaware, the Eastern Shore of Maryland—and that almost every state in the union derived supplies of European goods from us—after those great importations were made—and that this state derived a very considerable revenue upon their consumption? An impost of 100,000l. per annum, paid into the treasury, ought to convince the gentleman, that trade even to him is not unuseful—he has a share of that revenue.

Amsterdam imports from all parts of the globe, and to an immense amount. Are the United Netherlands, or the province of Holland, ruined by those importations?—or are they not rather the source of their wealth? That city pays two-fifths of all the expences of the states: Philadelphia has paid in nearly the same proportion, of all the expences of Pennsylvania. Philadelphia was likely to become the Amsterdam of America: but the gentlemen from Fayette, Westmoreland, &c. being such adepts in the science of commerce, have taken effectual measures to prevent it.

In the gentleman's observations upon commerce, he had almost forgotten our exports—"a little flaxseed,"—but not worth mentioning.

There have been shipped from this port 14,000 hogheads of tobacco, in a year, at 3l. per hhd. worth 42,000l. exclusive of freight; 40,000 barrels of flour; 300,000 bushels of wheat; with a variety of other articles: which are surely of some value.

We were not only the importers for other states, but the

exporters likewise. In the year 1784, 12,000 hogheads tobacco, the produce of Virginia and Maryland, were shipped from this port. It appears by the returns from the custom-house, that 1116 sail of vessels entered and cleared at it last year: the value of the cargoes of such a number, must surely be of some consequence. But whatever may have been the advantages of this commerce, I repeat it—our own unwise restrictions will operate to lessen them.

That the extent of our importations has been injurious to the state, is become a fashionable doctrine: it is propagated to serve some purpose, and has obtained credit: but how does this appear? The value of our imports may be pretty accurately known, by the books of the collector: but the proportion of them sold to the states around us, which go by land, or by inland navigation, cannot be ascertained. The exportation of specie is the proof principally relied on, and from thence the ruin of the state is predicted. For my own part, I see money exported with as little reluctance as I see any other merchandize—I consider it but as a merchandize,—and that if we export it at one time, we shall import it at another. I wonder how we obtained this money—Pennsylvania has neither gold or silver mines—but she has what is better, and what will purchase gold and silver at all times. This complaint, however, of the export of specie, does not come well from the advocates of paper money. I think a very common assertion of theirs, is—that a virtuous people can live without gold or silver: and they would all wish to be thought virtuous.

It appears to me a little paradoxical, that an importation of an over proportion of goods can be injurious to a country. It does not follow, that because the merchants import more goods than are necessary, that the people should buy more than they want. It may possibly oblige the importer (as has been the case in many instances) to sell them for less than cost: but surely the loss there must be to the feller, and not to the buyer: and as the fellers on those terms, have been generally foreigners, the loss has been theirs, and the gain been ours. It may have been a temptation to unthinking people to buy more than they had occasion for—and our merchants have suffered in the sale of such goods as they had on hand, which must have been caused by the low price of the others: but it is a novel complaint, that a choice of goods, to be bought at less than their cost, should be an injury to the purchaser.

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To complain of the want of money, is not peculiar to the present times. Such complaints always have, and always will be made. I think the average price of flour, during the last year, would be near 50s. for the barrel (10wt. 3qrs.); of wheat, 9s. per bushel; of flaxseed, 15s. per bushel; and immediate sale, and payment on delivery. This, surely, did not argue a want of money. Was there any part of the produce of the country brought to market, that could not be sold for ready money, and at a very high price? I believe not.

I am ready, however, to acknowledge that this is not the case at present. The produce of the country has fallen in price: and, what is worse, there are not purchasers for it, at any price. If I were to assert that this is owing in part to a stoppage of discount at the bank, perhaps it would be controverted—I leave those that would controvert it, to account for it otherwise.

Thus much I have thought necessary to say upon the subject of commerce, that the positions laid down by the gentleman from Westmoreland, might not be taken for granted.

As he was obliged to acknowledge that the bank was useful to commerce, he meant to shew that commerce was injurious to the state; and of course, that the bank, which gave facility to that commerce, was necessarily injurious.

Upon the subject of the bank, I have yet said very little: my worthy colleague has explained its usefulness very fully. From the arguments used against it, we would be led to infer, that the money locked up in its vaults, is useless to the good people of the state; and that if it were not for such an institution, the whole of that money would be lent out on bond or mortgage in the country. Let us examine if this is really the case.

If this money was not in the bank, would it necessarily be lent out in the country? Or, being in the bank, is it therefore unemployed? It is easy to prove that neither of these is the case.

Of the present stock of the bank, 360,000 dollars are the property of persons who are not inhabitants of, or resident in Pennsylvania: and I believe it will not be pretended that the owners of that part of the stock would send it to Pennsylvania, to be lent out at interest. There is yet no instance of foreigners lending money in this state on private security. And such of the stockholders as are citizens of the sister states, would not be likely to send it here for that purpose—because the rate of interest is as high, at least, in the other

states

states as in Pennsylvania—and there is as good security there. Of the remaining stock, near 500,000 dollars are the property of people in and near the city, divided among about two hundred and fifty persons: most of those are in business, and became stockholders to encourage the institution, because it operates to their convenience, and because they can borrow not only as much as they own of the stock, but much more, according to their credit and circumstances.—Very few of them, however, could put their money out to interest. Few of the merchants of the present day, have money beyond their immediate occasions: if this is the case—and I believe it cannot be disproved—very little, if any of the present capital would be lent out in the country at interest, though there had never been a bank.

But does it follow that the money's being in the bank renders it less useful to the citizens? Surely it does not. The dividends made to the stockholders prove that it is all employed: and whatever the dividend exceeds the common interest of money, proves that more is circulated than its stock: of course, so much is added to the circulation beyond the actual specie.

There can be no method by which the circulation is better assisted than by a bank of deposit and discount, such as the bank of North America is. Among trading people, where there are no banks, every merchant or trader must at all times have money in his chest or in his drawer unemployed: if a man is in the receipt of money, he cannot lay it out again the day he receives it. If he wants to make a purchase of any considerable value, he collects money for some time in order to enable him to make that purchase; or, if he has bought on credit, he collects to make good his payment when it becomes due: by this means it must happen, that a considerable part of the money used in that place, must every day be absolutely useless. But where there is a bank, a trader, when he receives money, sends it there, for these reasons—that it is kept in safety, without any expence; that the more he keeps there, the better credit he has; and that if he occasionally borrows, his making deposits of money is an inducement to the directors to lend to him. By keeping the money there, the whole sum, which would have lain in the hands of the different owners, is collected together: and as all the owners never want their money on the same day, the bank is enabled to lend for short periods a certain part of that money; and thereby give that part circulation, which would

would otherwise be useless. Thus it appears that collecting money in a bank, increases the circulation: and the utmost that the country gentlemen can any ways contend for, is—that they, living at a distance, and wishing to be accommodated with loans of money for long periods, cannot have them at the bank. But is that a reason that the inhabitants of the city and its vicinity shall not have the privilege of accommodating each other? Though the money is not lent to the farmer, yet, as it facilitates the purchase of his products, and the procuring him ready money for them, he derives thereby a full share of the advantage.

Another objection has been artfully made to the operations of the bank, which deserves notice: viz. that the aid it gives the merchant, enables him to keep up his goods till he can obtain a better price for them, than if they were to be immediately sold. This objection is more plausible than solid. It is in the nature of trade, that when it is free, the profit is soon reduced as low as the trade will admit: it must afford sufficient for the encouragement of those concerned in it, or they will leave it off: if it exceeds that proportion, for any time, so many will engage in it, as to reduce the profit.

If, when a ship arrives, the merchant can, by a loan of money from the bank, dispatch her again immediately, she performs, perhaps, two voyages more in the year, than if he is obliged to detain her till the cargo is sold: and this will certainly enable him to sell his goods cheaper, or to give more for the products of the country. A moderate capital, such as ours generally are, turned four times a year, will enable the merchant to sell for a less profit than if he turns it but twice. So that in every view in which this institution is taken, it will be found advantageous.

With respect to the liberality of its management, the instances are innumerable. When the legislature of this state were unable to pay the officers of their army, they granted them certificates; and mortgaged the revenue of the excise for payment of the interest. When the interest became due, the revenue was not collected: and the distress of the officers was great. On that occasion, without any particular application, the bank advanced the money; and took the reimbursement when the revenue was collected.

At the time when its aid to the united states had put it out of the directors' power to make private discounts, they, upon

on an application of the legislature, advanced 5000*l.* for the defence of the frontiers.

I remember when the enemy's row boats took vessels within our port, and carried them off: and the state had not the means of granting protection against so inconsiderable, tho' insulting an enemy. On that occasion, the bank, by an advance of about 25,000*l.* enabled the merchants to fit out a ship, which, within a few days, not only cleared the bay and river, but captured a cruizer of twenty guns, belonging to the British fleet.

The instances of its services are innumerable. Ask the managers of the house of employment: they will tell you the poor could not be fed without the assistance of the bank.—Ask the wardens of the city; and they will tell you that the city could not now be lighted but by means of the loans obtained there. But it is needless to repeat the instances: for I may say there is no service, public or charitable, to which its assistance has been denied. Perhaps its use will be better understood when the want of it is sufficiently felt—and though the present attempt to crush it may succeed for a time, I have no doubt it will be as eagerly called for as it is now decried.

I cannot help observing, that there are gentlemen in this house, who sometimes instruct—but oftener insult us with their reading—One has brought us an extract from the journals of the Irish commons, to prove that the people of Ireland were opposed to the establishment of a bank. Several writers have treated on the subject of banking—one, a writer in great repute, Mr. Smith, who treated on the wealth of nations, states that the trade of Glasgow was doubled in 15 years after the establishment of a bank there—and that improvements of every kind kept pace with that increase. Thus if banks were regarded as injurious in some places, they have been found beneficial in others.

Mr. Smilie. This subject has been so ably handled by the gentlemen who have spoken against the report under the consideration of the house, that it is not requisite to enter deeply into it. It is however necessary to take notice of some remarks which have fallen from the gentlemen in favour of the report.

Great stress is laid on one circumstance, and a loud clamour raised, because the committee of last year did not go to the bank. But I would ask, what enquiry should we have made at the bank? What information would have been afforded

us there? Would the directors have laid open their books to us? I remember well a question put to the directors by the committee who made the report before us, were they willing to give information to the committee consistent with the secrecy of the institution? If the committee of last year had called, they would not have laid open their books. And if the committee had enquired how far the president and directors had abused the trust reposed in them, it would have been altogether useless and unnecessary. This being the case, the committee were perfectly right in not calling at a place where they could not obtain the intelligence requisite. There was another reason: the bank not being under the control of government, the committee could not oblige them to lay before them a state of their accounts, or their books.

Some of the arguments on this question have been so much refined as to be above the comprehension of us country people. A gentleman tells us, that the balance of trade is a mere speculation. I must confess I am not much acquainted with trade—but I know there is some such thing as a balance of trade—and that it is greatly against this country at present.

The question of right in this house to take away a charter, has been pretty well discussed, and it now seems well understood. Two of the members on the other side have conceded the point. The others have not—but their arguments amount to that, when our situation is considered. As charters are granted by the assembly—they can be revoked no other way than by the assembly. They cannot be taken away by the courts of justice, as they are given by the legislature.

It has been said, that the bank is dangerous to the state, and in support of this, the plan of mortgaging to it the revenues has been adduced. The gentleman who proposed this plan, replies, that he was not authorized by the directors to make the proposal to this house. Another member who is one of the bank directors, tells us the same thing. But really I can hardly stretch my credulity so far, as to believe that to be the case. If it was, I do not scruple to say, it was an insult to this house, to propose to them the adoption of a measure, to which if they had acceded, they would have left it in the power of the directors to laugh at them.

The gentlemen in favour of the present report, have manifested

nifested a violent degree of resentment against the committee of last year, who made the report relative to the bank—at the same time they seem desirous to keep clear of the late house. But if the committee were wicked, the house must have been no less criminal—as they must have been either ignorant, or equally wicked. The policy of this proceeding, is easily seen. There were no hopes of changing the minds of the members of the committee of last year, now in this house—therefore it was not judged necessary to keep any measures with them—but the late house is treated with more lenity, in hopes that some of its members now here, might come over in favour of the bank. One gentleman [Mr. Fitzsimons] wishes he could separate the committee from the house, and make them personally responsible. Had he proposed to impeach them, he would have shewn a more manly spirit, and not a worse disposition. But the committee as well as the house of last year, are accountable only to their country, which will judge of their conduct.

A gentleman from the city, [Mr. Morris] has called upon us to shew abuses in the conduct of the directors of the bank. I am in possession of one fact—which, however, I shall not mention, unless I am urged to it.—

The same gentleman has asserted, that the public creditors would have been better paid, had the paper not been struck—if the impost duties had been collected. That they were not collected, was not the fault of the late house—it arose from the misconduct of some of the officers whose duty it was to collect them. But the last house could not pay the public creditors without the paper money.

The gentleman mentions the endeavours of the directors of the bank to prevent usury. But here facts stand in our way. Can any gentleman say that usury was not coeval with the bank? The five per cent. per month is too well known, and its effects too sensibly felt, to render it necessary to do more than barely mention it. All this was unknown before the establishment of the bank.

He seems to call in question the understanding of the late committee and asks, were they able or willing to consider the subject of the bank in every point of view? As to capability, I am not disposed to contend with him on that head—I shall readily admit him my superior. The gentleman then gives us a high encomium on the services of the bank during the late contest—and tells us of his having lodged 4 or 5000 barrels of flour in the camp of general Washington,

ington, on his own account. But it is not to him nor to the bank we are indebted for our independence—I should be glad it was ascertained to whom we owe that event—there are so many claimants, that it should be decided on. A certain writer, a friend of that gentleman's, lays claim to a great share of it—I wish they would settle it between them.

The gentlemen in favour of the report have laboured hard to shew the dreadful consequences of meddling with property. But what right of property has been invaded by the repealing act? If it had, indeed, confiscated the property of the stockholders, and applied it to the use of the state, then there might be some foundation for such an argument. No such thing has been done or even attempted. The assembly only determined that the bank should not be held under their charter. Will any man say that property may not be applied to improper uses? Suppose a man had a mind to employ his property in erecting magazines and laying by military stores, has not the assembly a right to pass a law to prevent him?

The gentleman is exceedingly hurt at the repetition of paper money—in our speeches. But the bank is as dear to him as the paper money is to us, and as frequently occurs in his speeches. I have lately read a pamphlet on paper money—and all the writer says on the subject, is, what an old German told him a long time ago—viz. That paper was paper—and money was money. But if an unprincipled author, who lets out his pen for hire, had so far relaxed in his last performance that his employers would not pay him for it—if he, in want of his food, in passing through the market, should find a five shilling bill in his pocket, and, going to a tavern, procure for it his dinner, and a pot of beer, he would be apt then to cry out—This paper money, I find, after all, is victuals and drink to me.

The directors of the bank are chosen by the stockholders, who vote in proportion to their property. If we examine this mode, we shall find it highly dangerous: as all is done by nine or ten men—so that the bank will remain under the present directors, during their lives, which is a direct tyranny, they being the representatives of a few men only.

A gentleman from the city [Mr. R. Morris] thanked God that the bank is not under the control of government. At a former day he was of a different opinion—[Here Mr. Smilie read two articles of the proposals for forming the bank—signed by Mr. Morris—wherein the clause subjecting the

accounts

accounts of the bank to the inspection of the superintendent of finance, is praised and styled excellent.]

It appears by these articles that he thought it an excellent part of the plan of the bank that it should be under the control not only of congress, but of the state—but it must be considered that he, as superintendent of finance, was the person who had the control of it. So that at different times, he entertains different sentiments on the subject.

The gentleman tells us the state has not credit—that it is too powerful to have it. But if the state has not credit, how can it communicate credit to the bank? And if the bank has credit, why ask it of this house?

I now refer to one of the notes I took while this gentleman was speaking yesterday. He tells us that the members in favour of paper money, seek it, for the purpose of paying off debts at an under value—

Mr. R. Morris. I did not make the charge the gentleman says, only against the members in favour of paper money, but I meant to include the advocates of it in general. I desire that my words may be taken in their true sense. This charge has not originated with me—it has been made from one end of the continent to the other—in news papers, in public debates—and in private conversation—so that it is no new thing.

Mr. Smilie on this declared himself satisfied with the explanation given by Mr. Morris—and said he should not pursue the course he had proposed to himself in his discourse.

Mr. Morris declared it was not his wish or desire to prevent the member from taking the fullest latitude. He had a fair opportunity. Mr. Morris added he had not risen with a view to hinder it.

Mr. Smilie. The gentleman made some observations on the members from the country speculating in lands and receiving so much per cent. for what business they transact—

Mr. Morris said a note had just been put into his hand, stating that a member then in the house would, if called upon, prove what he said relative to some of the members receiving so much per cent for transacting their neighbours business.

Mr. Smilie. What other members may do, I know not—but I have transacted a great deal of business for my neighbours, and have never received a copper for it. I do not know that it would be criminal to receive payment—nor do

I know

I know who the gentleman means to charge. This information I regard as addressed to the galleries.

It is denied that the bank facilitates commerce. But I think it is evident that it does. Cargoes of goods have been purchased in one day, which could not have been the case but for the bank. The bank, making it convenient to get money, facilitates the purchase of goods: It will not be controverted that goods are purchased quicker by its means, than they possibly could without it.

We are told that the friends of the bank have given support and countenance to the paper money. I do not pretend to assert the contrary. But I have heard it strongly asserted. A gentleman says that a discount on the paper money of from $2\frac{1}{2}$ to 5 per cent may be had. If such depreciation has taken place, it is occasioned by the bank; as it does not receive the paper money: and consequently persons indebted to that institution are obliged to procure hard money at all events—so that the bank is the cause of discount being given.

The same gentleman seems to consider us as mere machines. He says, if we were left to ourselves, we would not be now opposed to the bank. I have never been urged to my opposition—I have opposed the bank from conviction that the charter was incompatible with the welfare of the state—and I concluded it must be destroyed. What! does he suppose we are duped, or that we are dishonest? If we were capable of being bought off, it must be acknowledged we have not among us persons capable to purchase. If any members of this house were corrupt enough to betray for reward the trust reposed in them, the gentlemen on the other side have the means in their hands to prevail on them.

Mr. R. Morris. I said that a person possessed of considerable wealth, opposed to the bank from private views, was hugg'd in the bosoms of those inimical to that institution from other considerations, although there is no other tie or connection between them.

Mr. Smilie. I have never been attempted by any such person. I have taken up the matter upon higher ground: and as to what the gentleman who spoke yesterday in favour of the bank, said, respecting the attack upon that institution being levelled at him personally, I must declare that I have been actuated by no such motive. As a private citizen, I respect him—although as a politician, I happen to differ from him in sentiment.

To conclude: We have now no bank. The question, therefore,

therefore, is, whether we shall have a bank or no?—not barely whether we shall have a bank—but whether we shall have such a bank as we had before? for no modification is offered—the report before the house proposes to revive the old charter. Are we prepared to agree to such a report? Are we prepared to give a charter empowering the corporation of the bank to hold ten millions of dollars—and that in what kind of property they please? When I look round me, and see so many independent members, I feel a confidence that they will never agree to vest the powers consequent to such a property in a board of directors chosen by six or seven stockholders. Fears and jealousies were entertained at the time of granting the charter, when the doctrine of banking was but little understood: and two attempts were made to limit it: they then only looked forward to the ill consequences to be apprehended from it. We have seen some of them: I therefore trust, that instead of restoring the charter, in order, as the report says, to restore the honour of the state, we shall save it from that instrument of destruction.

Dr. Logan declared he esteemed himself so unqualified for a discussion of the question under debate, that he had not proposed to trouble the house, by rising to speak to it. Being entirely disinterested in the matter, he had resolved to give his vote according as he should be convinced; and was sorry to see that the gentlemen opposed to the bank, instead of answering the arguments made use of on the other side, had recourse to personalities. The bank, at its first establishment, had been conducted on such narrow principles, as to induce numbers of gentlemen to unite in their endeavours to establish another, which had induced the president and directors to alter their plan. He had then become a subscriber, when the doors were thrown open—but had since that period sold out.

Had the members who spoke against the present report, made good their charges against the bank, he had determined to vote with them, although not convinced of the propriety of the house assuming judicial powers. But the charges were not made good.

There were, he said, two modes by which the interests of agriculture could be promoted; by a loan office, and by the bank, which latter, furnishing the merchants with money, procured a ready sale for produce. As a farmer, he had experienced the good consequences of it. The other, by enabling

bling the farmer to borrow money for the improvement and cultivation of his lands, greatly advanced his interests.

Mr. Whitehill. One of the city members has remarked, that he believes, if an angel from heaven were to endeavour to convince me, it would have no effect: if an angel spoke as he has done, I should regard him as a fallen angel.

He has said, that farmers or millers may be accommodated with loans by the bank. But can any farmer in Lancaster or Cumberland derive benefit from loans for forty-five days? They cannot come here to renew their obligations.—Facts are stubborn things.

He also says that notwithstanding the cry of the country people for paper money, they will not receive it in payment for their produce. I have received it equal to gold or silver for produce. Perhaps others are afraid: and indeed when we hear a gentleman of such wealth and influence declare that he puts it away as fast as he can, for fear of depreciation, is it not enough to shake the credit of the paper money?

The gentleman has said that industry is promoted and manufactures encouraged by the bank: but loans at forty-five days will do neither the one nor the other.

It has been observed, that the bank has not a capital of ten millions of dollars, and that therefore no danger is to be apprehended on that head. But it might have had that capital by the charter: why then should we restore it?

A gentleman has in answer to me remarked, that it was impossible for the legislature which granted the charter, to know the bye-laws of the bank. I ask, then, was it not absurd to give a charter empowering the corporation to make such bye-laws as they pleased?

The bank, for aught we know, might have become a trading company; and, by stopping discounts, at particular times, might take advantage of the private merchants—

Mr. Fitzsimons. The corporation is restrained from trading by the charter.—

Mr. Whitehill demanded—by what charter?

To this Mr. Fitzsimons replied by the charter of congress.

Mr. Whitehill. This is nugatory. The charter of congress is of no avail here. Congress had no power to grant any charter—and in this instance stepped out of their line. If that was all the restraint on the president and directors, they might have become a trading company when they pleased.

The bank, it is hinted, enables the merchant to purchase produce—and the farmer consequently gets a better price. But flour was three dollars per hundred, before the revolution, and it is not much higher now.

The whole business is reduced to this: when the danger of the bank monopolizing trade is urged, the charter of congress is pleaded; and we are told that the state is safe. But this is a nullity. Let the bank go on, as it stands at present. The people who deal in it will be safer. If the money in the vaults is not sufficient, the estates of the subscribers will be responsible. This has been observed already—and not a word has been offered in answer to it. Is it not better have two or three equal banks, and then the citizens will be courted for their custom, than one which can do as it may see fit?

Mr. Woods said if the gentleman's observation, that the charter was but a mere piece of paper, which the house might burn at pleasure, was true, the constitution was also a piece of paper, and might with equal justice be burned; if that was the case, God help poor Pennsylvania! Those gentlemen who pretended to be constitutionalists, thought themselves exempt from attending to the constitution—they made it a nose of wax, which they twisted at pleasure.

Mr. R. Morris. I did not intend to have risen again on this question: but as some new matter has occurred, I think it may not be improper to offer a few additional observations.

A member has remarked upon the manner in which the question was proposed by the chairman of the committee whose report is under debate—viz. "whether they were willing to give such information as was not inconsistent with the secrecy of that institution?" He has from this drawn an inference that any application from the committee of the late house would have been fruitless, on account of this secrecy. But herein he is much deceived: this secrecy relates to the state of accounts depending between individuals and the bank: and the necessity of this secrecy every one must see. I appeal to the feelings of all who hear me, whether they would choose the state of their accounts should become known to any but those officers of the bank to whom they are confided? The depositors of money there, would no more have their deposits made public than if the cash remained in their chests: and much less would those who stand indebted, consent to have the state of their accounts known to any but those with whom the debt is contracted.

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As superintendent of finance, I was entitled to receive daily a state of the accounts of the bank: but neither the directors nor myself ever considered this as extending to the accounts of individuals: and I never was made acquainted with any such matter. This is the only kind of secrecy, I apprehend, that could have been meant by the committee, or that could be necessary for the president and directors to observe; for as to the state of their own affairs, that is, the affairs of the bank generally, I take it, they would, whenever needful or proper, explain them without hesitation.

Upon the doctrine of charters, the gentleman insists that they cannot be taken away in the courts of law: in which I agree, that unless there be a forfeiture on the part of the corporation, they cannot.

I shall not, however, dwell upon this subject—but proceed to the proposal for mortgaging certain revenues to the bank. That proposal did not go to the extent gentlemen are pleased to mention. One member has remarked that it is very extraordinary such a proposal should have been made without the knowledge of the president and directors; and added, that if such was the case, it was an insult to the house.

That proposal was made by a member of this house, who had a right to make it: and if the house had agreed to that proposal, they must, as he mentioned at the time, have appointed a committee to negotiate and settle the affair with the president and directors of the bank. Surely there was nothing like an insult in this.

I shall pass over the assertions that the impost and taxes would not have been sufficient to pay the public creditors, with observing that if they had been duly collected, there would have been in the treasury a sum fully adequate.

It has been insisted that usury has been coeval with the bank. Usury sprung up on the decease of the continental money; and if I had expected the charge to have been renewed and insisted on, I might have brought evidence of the fact. I am satisfied that some of the brokers' books would shew it, and probably those might be obtained without much difficulty.

The member from Fayette seems to charge me with claiming the merit of bringing about the revolution. In this, however, no part of my conduct will justify him. It is not my practice to claim merits which do not belong to me. It is true, in defending myself from attacks which have been made, I have been obliged sometimes to mention services performed;

performed; and by so doing, they are submitted to public investigation, and would be contradicted, if not truly stated. When I mentioned the supplies of flour sent to general Washington's camp, it was introduced to shew the distresses of the times: however, I did not, as this gentleman was pleased to express himself, say it was sent at my expence; but that it was obtained upon my credit: neither has my vanity or folly ever prompted me to pretend that I established the independence of America. It is my glory to have had a share in it; and I am not ashamed of the share which has fallen to my lot; I hope it will ever do me honour.

As to the claims made by the author whom the gentleman mentioned, I know nothing about them. I shall not contest his claims, nor those of any other person. Whoever have deserved well of their country, or think they have done so, shall not be disturbed by me. There are thousands and thousands who have been honourably concerned: and I am as ready to give to each his share of merit, as I am to receive even what credit that gentleman himself will allow me.

In this house we enjoy the freedom of speech: every member may deliver what sentiments he pleases; and, if he chooses, he may attack characters without being accountable to any tribunal, provided he observes the decency and decorum due to the house: but I cannot refrain from a wish that it were laid down as a rule, never to abuse this privilege, by attacking those who cannot speak here, and of course have it not in their power to defend themselves. I am led to these observations, by the gentleman having introduced into his speech an author, who, he says, is unprincipled, hires out his pen for pay, and who, in walking the market place, without money in his pocket, finds a five shilling bill, steps into a tavern, procures with it a dinner, &c. and then exclaims, this paper money, after all, if it be not money, is to me victuals and drink. This author, whoever he is, is not on this floor; and consequently cannot do himself justice here. Whether he is paid or not, I cannot say. He is not in my pay: nor do I know any that do pay him: for, if I guess right at the person, I can pretend to nothing more than common acquaintance, and the intercourse of common civility which has arisen in consequence of his long residence here, and which originated in his public services. But I feel for his situation, in this instance, having been, in the same manner, attacked on this floor, when I could not be permitted to repel those attacks, as I had not then a seat

in assembly. I do not reproach the member for using the freedom of speech—but I wish more delicacy were observed. If the author in question has been guilty of any impropriety, there are proper places to bring him to punishment, and in which he can be admitted to make his defence.

It has been observed in this debate, that the directors of the bank being chosen by the stockholders,—and these voting according to property,—the directors are elected by six or seven men, largely concerned in stock: and this manner of voting is strongly objected to. I ask what should give the right of voting in such an institution, but property? Shall those who hold a small number of shares, have equal votes with those who hold a great number? You may as well pass an Agrarian law, and divide the property. Who would invest their money in such an institution, if that regulation were to take place? Voting according to property is the only proper mode of election, although a deviation has taken place. Shall a man with a fortieth part of the interest in bank stock which another holds, have an equal voice with him in the election of those who are to manage that interest? Surely not. It has been said that the directors exercise a tyranny over the stockholders. I wish it had been shewn how: their continuance in office is given as a reason: and it is urged that they may remain in office as long as they live, which would be a species of tyranny. Their continuance in office is a proof that they enjoy the confidence of the stockholders—not that they tyrannize over them. However, a change in the direction was intended: and a number of the stockholders went to the late election, with intent to vote in some new hands. But the attack on the bank seeming to render its duration doubtful, they re-elected the same gentlemen, in order that if the business were to be closed, it might be done by those who, having so long conducted it, were best acquainted with it.

The eleventh and thirteenth articles of the proposals for establishing the bank, published with my name thereto, are brought forward by the member from Fayette, to shew that my sentiments are changed respecting the control of government over this institution. The clause subjecting the state of the bank accounts to the inspection of the superintendent of finance, was then excellent and highly approved, because I was the superintendent—but now, he remarks, I thank God it is not under the control of government. I am still

of opinion that the clause was excellent, and that it was useful.

The institution was framed under an expectation that the public monies were to be placed there from time to time—and that it would derive advantage from the public funds passing through that channel. It was therefore judged proper for the bank to submit to such inspection, and necessary to create public confidence—first, because the public money being deposited there, the united states would, by their officer, know that it was secure: and secondly, individuals having transactions with the bank, would think themselves safe, and believe in its stability, whilst it enjoyed the confidence of government, and its proceedings were subject to such a check as the inspection of them by a public officer of high trust. These are the considerations that induced my approbation to those clauses then. But what is the case now? The united states have no longer a superintendent, and although they have a board of treasury with the same powers, they have no funds in the bank: therefore no necessity exists of any examination into the state of that institution on their part: and with respect to individuals, it has fully acquired the necessary confidence: so that in neither case is this inspection any longer necessary.

If, indeed, the state of Pennsylvania had thoughts of depositing money in the bank, the government might talk of control; and would have a right to make terms. They might stipulate as a condition, that the treasurer of the state, or some other of their officers, should so far have inspection of the bank, as to know, before the treasurer, the collectors of taxes, of imposts, of duties, of excise, &c. should deposit public monies there, that such deposits would be perfectly secure: and I am persuaded that the president and directors would have no objection to the appointment of such an officer, to whom, in such case, they would freely communicate a state of the general accounts of the bank. This kind of connection between government and the bank, would be very proper: but any subjection or dependence of the bank on the government, would be inconsistent with its nature.—The attempt, then, to prove any inconsistency in my opinions fails—my present being perfectly consistent with my former opinions on this point.

As to what I said respecting members receiving per centage for transacting business in the land-office, I do not know it of my own knowledge—but by information: and I have

a paper

in my hand, stating that a member of this house will, if called upon, prove the fact.

The gentleman said that this information was addressed to the gallery. But if the gallery had been cleared, and the doors of this house closed, I should have gone into the same explanation that I have done in the course of this business. It is true, I rejoice that so many of my fellow citizens are present at these debates: as they will probably, from the explanations respecting the bank, become better acquainted with the nature of it, than many of them were before; and it only wants to be understood, to make it fully and clearly seen how much the interest of every man in the state may be or is benefited by it.

It has in the course of this debate been more than once asserted, that the paper money of the state, is depreciated by the bank. This I deny totally. The paper money is received on deposit at the bank, at considerable expence and trouble: one or more clerks at handsome salaries, are necessary for the receiving and paying it, and for keeping accounts with the depositors. The president and directors of the bank do all this without an iota of profit—being prompted thereto by a desire of supporting the credit of that paper they are charged with depreciating. From the third of June 1785, to the twenty-eighth of February in the present year, they received of this paper on deposit 104,460l. 18s. 4d. From the twenty-eighth of February, to the present day, they have received 2810l. 15s. 8d.—making in the whole 107,280l. 14s. And the credit of this account is,—For sundries paid from the third of June 1785, to the twenty-eighth of February, 97,767l. 15s. 6d. ditto paid from the first to the twenty-eighth of March, 3520l. 11s. 6d.—Balance remaining on hand, 5992l. 7s. From this statement it appears, that the whole amount of the emission, that for the loan-office accepted, has already passed through the bank: for this, accounts have been opened in bank for sixty-seven persons.—I hope it will not be asserted that all these pains are taken in order to destroy the credit of the paper money. I have already answered the charges against myself on this subject, —although perhaps it might have been as well to pass them by, as I have done others, in silent contempt.

The gentleman from Fayette with much modesty, declares, he does not pretend to an equal degree of understanding with us. We, however, admit that he has it, and the contest between us, is an acknowledgment, on our part, of his

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his possessing equal abilities : but I hope this modesty was not assumed to extort compliments from us.

The gentleman says, he hopes the members of this house are not capable of being corrupted. I hope with him that they are not. I have no suspicions of the kind—nor ever had. But members of assembly are liable to be influenced in their conduct, as well as other men. However, whether they are or are not, I have never made an attempt to influence any one of them : nor can any one say, that I have ever held a conversation, done, or said a single thing to influence his vote upon any question whatever.

Mr. Smilie. The worthy member gave the house to understand, that if it were not for some people, we would not now be opposed to the bank. On this I remarked, that if we were capable of being corrupted, those on our side of the question had not the means of corruption in their hands.

Mr. R. Morris. As there are persons out of doors prejudiced against the institution, it is natural for them to exert all their influence to injure it. They get hold of the members—and tell them fine stories, make strong assertions, and by degrees lead them into their snares, by means of deception, without any attempt at corruption : and this is by no means uncommon. It is well known that mankind are slaves to prejudices—and to prejudices frequently not their own—but such as are taken up on the credit of others. I thank God our legislature is incorruptible. I believe it has always been so : and I hope it will ever so continue—at least we have one security for it—I cannot see how or for what it would be worth while to corrupt them, were they so disposed. If in this or any other part of the debate, when animated with the subject, I have not treated the members opposed to me with all the decency and decorum they could wish, I should be sorry for it—as being contrary to my intention : but I am not sensible that any such thing has escaped me. Indecencies may tend to inflame—but they seldom convince.

The same gentleman says, he respects my private character—but must differ from me in politics. I wish we could agree in our political opinions : it might be of some advantage to the state : but as we cannot, we must be content—he to hold his opinions—and I to enjoy mine.

Some expressions which have dropped from this gentleman and from the member from Cumberland, seem to imply, that had the report before us, proposed any modification of the bank charter, it might have met with their approbation—

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but that in its present form, it is inadmissible. I do not see how the committee could have made a report of that kind : they certainly were not authorized to do it. It has been fully proved that the repealing law does not rest on the same support as our other laws : it is not founded in truth and fact—but in the preamble the reverse is asserted : and this is of itself a sufficient cause for repealing that repealing law.

I am not willing to take up more of the time of this house : it would be going over again the same beaten track. We are pretty well tired of the subject by this time : and I hope the question will soon be put. I hope that no doubts remain as to the utility of the bank. I trust it has been clearly proved, that it has never been injurious to the safety or welfare of the state in any shape or way.

Mr. Finlay. Had my arguments of yesterday, been stated justly, and replied to with fairness, I would not have thought it necessary further to detain this house—as the attention of the members is, I conceive, already wearied out. I have, doubtless, been unhappy in speaking less distinctly or less audibly than usual, so as to occasion them to be unjustly stated. The manner in which I then investigated the case, has been made an honourable mention of by the gentlemen on the other side of the debate ; but could I ascribe the treatment my arguments met with, in stating them yesterday, from a gentleman of eminent discernment [Mr. Morris] to artifice, it would be a more flattering circumstance, than any eulogiums the gentleman has been pleased to bestow. However, candour obliges me to acknowledge that the gentleman who spoke first this morning [Mr. Fitzsimons] replied to some of my arguments with ability, stated them fairly, and answered sensibly. And there are, certainly, many good arguments respecting the conveniency of the bank, that may apply in its favour : and it is the duty of this house to compare the arguments arising either from its utility or its mischief—its safety for its danger—and by giving each of them due weight, to observe how the balance turns.

I shall now proceed to mention some instances of the treatment my arguments met with yesterday ; and then prosecute some observations which I touched but slightly at the first—and also some which I then waved.

My first argument was entirely mis-stated. Knowing that the preamble of the report under debate, contains reasoning totally improper and disgraceful, I thought it would have been

been an insult to the dignity of the house to argue upon it, which I therefore declined, alleging, that though the reasons assigned by the committee of the late house, for repealing the charter, were insufficient, yet, if sufficient reasons do now exist in the nature of the case, their decision ought not to be repealed. This I illustrated by judicial examples; and alluded to legislative ones, of which I shall now mention one. In the act lately passed for opening the road by the Water Gap, the reason assigned, is, that there is no road there. Surely, this is not the true reason, although it is the only one assigned by this house: for if that were the true and a sufficient reason, it would imply that this house ought to make special laws for opening roads in all places where they are wanted, which is, by standing laws, the business of the county courts. The true reason must have been not only the utility of that road, but the broken and uninhabited state of that country. But the gentleman alleged that I applied this argument to the resolution now before the house.

I mentioned agrarian laws merely on account of the use the gentleman had made of them, in alleging that the charter of the bank could not be taken away without admitting agrarian laws. I observed that though wealth was not equal enough in this state to the genius of our government, yet to admit those laws was improper; and, under our government, would be unjust: but that they had nothing to do with the present case, which was not taking away property—was not touching the cash of the proprietors of the bank—but solely repealing a law which gave an undue and impartial advantage to one set of men. How could the gentleman's fears be alarmed from this? How could he say that I alleged though agrarian laws were not just now proper, that they would be so some short time hence? It was the gentleman himself introduced the term: and I only attempted to rescue it from the improper use he had made of it.

I mentioned as an argument the unsuitableness of such an institution to the government, laws, and habits of this state. The gentleman stated that I had said it was contrary to law. Surely, if a disputant has the power to make his antagonist say what he pleases, he may easily reply: so the gentleman has done. He says it was not contrary to law—because the charter was a law. It was not contrary to habit—for the people had a habit of applying at the bank for discounts,
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and carrying their money there to deposit it. I beg now to repeat and enforce some of my arguments on that head.

The frame of government of this state, being the great deed of trust between those in government and the citizens at large, is a charter of the first importance; and circumscribes and contains all other charters that can lawfully exist: yet it is a charter for only seven years. It is not only subject to change, as all other governments are, by natural right—but it must, by the law of its own existence, be brought to the test septennially. And can the legislature give charters more sacred and more permanent than the government itself? No: the very nature of things forbids it. By our laws, all estates, real or personal, are divisible; the grand source and support of feudal dignity are therefore taken away—since by law, every child, with one small exception, enjoys an equal share: and our habits with respect to testaments perhaps correspond more perfectly with our laws, than those of any other country in the world. Our real estates are subject to be sold for debts; and are actually daily selling in this manner. In a country, where we have no wealthy incorporated companies of merchants—where we have no nobles with great estates, permanent in the family line—where we have no royal prerogative supported by an enormous civil list and numberless dependents—I say in a country where we have no counterpoise to correct its influence or control its enormities by their own—shall we grant such an institution? Shall we give such an artificial spring to congregated wealth? By no means. It was in this manner I argued its inconsistency with the spirit of our laws, &c. and not in the manner stated by the gentleman.

My arguments on the usefulness of the bank—and the examples by which I illustrated them—were treated in the same manner. But this house heard my arguments and the manner in which the gentleman accommodated them to his replies: therefore I shall not rescue them; but shall just observe, that I acknowledged freely the usefulness of the bank—I gave it all the credit I thought it deserved: but did the gentleman acknowledge the usefulness of paper money or a loan office? Did he give paper money one grateful compliment for the good it has at any time done? No—he did not.

I forbore yesterday saying much about paper money or a loan office—as things sufficiently understood: but I beg leave now to offer a few further observations respecting them. By the last emission we have anticipated our revenue, and so
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made a saving to the state; by it we have relieved our suffering creditors; by it we have brought in our revenues, and filled our treasury, which had for years groaned with emptiness. By means of the spring it gave to circulation, it brought in more specie than we could have otherwise got. By means of it, the gentleman answerable to his wishes, will get more old debts paid in to him; and, answerable to his diffidence, he acknowledges he can put it away again immediately. By the last emission, Pennsylvania has recovered her dignity; and shewn herself to be possessed of that wisdom which pervaded her counsels whilst she was a colony.

The institution of a loan-office is one of the most masterly strokes of national good sense: the advantages of the present one, though so new in its operations, have been of amazing service. Vast numbers of our citizens were in debt to the state for their lands, which they held by occupancy only: those people have been enabled to pay their debts to the state; and to assist the public creditors, by increasing the demand for their certificates. I will mention one instance:—as I was coming to this city last week, I met with a man who had patented his own land, and procured a loan of one hundred pounds. In consequence of orders I had with me, I received about half his loan; and brought it back to pay for the lands of others. Thus it not only pays an interest, but sinks a treble interest.

A loan-office, at this time, is not only a source of revenue, to the amount of the net interest it brings; but has contributed by raising the demand, to raise the public certificates from 3s. 9d. to 6s.: and as every pound value of them laid out as above, takes off an interest from three to four for one, by sinking such a proportion of the public debts—it is one of those honourable and useful kinds of speculation, fraught with advantage both to the state and to individuals; and gives the surest fund for the redemption of paper money. The institution of a bank, on the other hand, as I said before, increases usury; promotes the spirit of monopoly; and, in our present situation, prevents improvements and equal circulation of money.

All the gentlemen on the other side of the question, deny that it promotes usury. Let us examine this a little. Does it not give a facility to trade? Is not this its proper use? Is not the balance of trade against us? Does it not, therefore, give facility to importation in a degree too great for our exportation? Surely, it does. When gentlemen obtain the assistance

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—the ready and generous assistance of the bank, to purchase imported goods—must they not pay at a short and a certain day? And when the market is glutted with goods, and the appetite of the consumer cloyed, what shall—what can the borrower do? He may and often does go to the vendue stores, and lose his property by ready money sales, at the rate of 50s. a minute: or he may go to the rapacious brokers, whose existence in Philadelphia is coeval with the bank, and of them borrow at five or six per cent. per month. This has been the relief, no less common than destructive—the mournful relief of those who have with the best designs and flattering expectations, made use of the delusory assistance of the bank: and thus it is likely to be with every institution inconsistent with the laws and manners of a people.

But this is not all: the bank, it is certain, takes a kind of compound interest itself: and when simple interest requires about seventeen years to enable one million of dollars to grow into two—the method practised by the bank (supposing the holders not to draw their dividends) would make one million produce above six in about 26 years: and to follow this thought for a century to come, how amazing the idea! In the bank money is arrested. It must increase, without a possibility of becoming less. It is secured by such a charter from every risk, and guarded against every danger but what may arise from the possible villainy of the conductors of its operations.

As wealth is the means of conducting—as wealth is the means of obtaining monopolies—even when in the hands of jarring individuals—how much more must it facilitate such designs, when in the hands of a permanent society, congregated by special privilege, and actuated by the principles of united avarice? Let us suppose for a moment, that I possessed the greatest real estate under the government, and that I had likewise the greatest commercial wealth, and consequently a greater credit in all commercial countries than any other citizen in the state, and that I had the greatest number of shares in, and consequently the greatest influence over the bank, would not I in this case have it in my power to monopolize the most valuable foreign markets, and to say who shall and who shall not trade? Would it not be in my power to fix the rate of exchange as I pleased—so that when in the natural course of trade it should be 163 or 170, I could raise it to

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it to 175 or 180? I could increase the necessity of remitting by bills, and avail myself of that necessity.

The bank in the present state of things, prevents even the improvement of this city. Houses and lands have been sold, and their price locked up in the bank, where it is free from taxes, and where it increases without the labour of the owner. Thus by discouraging improvements, it prevents population, and with it the rising glory and strength of the commonwealth. An equal circulation of the signs of wealth, tends to promote equal interests—equal manners—and equal designs: but the situation and circumstances of few countries admit of equal circulation: yet surely government ought not to give its special aid to render circulation necessarily unequal. However this is an argument well understood, and has been spoken to formerly.

One gentleman [mr. Morris] would persuade us that the transfers of stock prevent the dangers or cure the evils of the institution. How can this be? Will a few individuals transferring their bank stock, change the principles—the nature—and influence of the institution? By no means; but this is too plain a case to dwell upon; and has already been well spoken to.

Against the right of the legislature to dissolve such charters, it has been often said that that body might as well annul the patents of our lands: and for the same purpose, agrarian laws have been, I think, rather improperly mentioned. What do these arguments mean? Is dissolving the charter of the bank, and entering into it, to take away the gold and silver from the owners, for the public use, the same thing? Surely no. But the right of the legislature is so clearly confessed by gentlemen of legal knowledge—it is so essential to the safety of government—and has already been so well spoken to—that it would perhaps be an insult to the good sense of this house, to say any thing further on this head.

Much has been said by gentlemen on the other side of the question, respecting the advantage arising from the bank to the farmer, the mechanic, &c.—It seems to be denied that the balance of trade is against us; or that the bank promotes that unfavourable balance. One gentleman [mr. Fitzsimons] supposes that I stated the exports from Pennsylvania too low: I believe he did not hear me well—for in every other mention of my arguments, he did me justice. I will therefore repeat my sentiments on that head. We export flour—but not so much as formerly: this is owing, among other things,

things, to a scarcity of labouring people: the drain of young men during the war, and for many years having so few emigrants, accounts for this. We export flaxseed, though not so much of it as usual: the binding of our lands, through long working, and the change of seasons, together with people depending more upon hemp, accounts for this. That the lumber trade must continue to decay, requires no investigation to account for it. What else of consequence does Pennsylvania export? Nothing, I believe, worth enumerating: yet we have the foundations of commerce, which rising ages will doubtless improve. I perfectly agree with the gentleman that it is our duty to cultivate the mutual interest of the farmer, the mechanic, and the merchant; but how is this to be done? We have been told we ought to alter the balance of trade, &c. but in the present state of things, we may as well talk of turning the stream of the Delaware. To cultivate these now jarring interests, and render them mutual, we must first propagate or import a greater number of people, that we may have labour of all sorts cheaper; we must encourage our own produce and manufactures; we must try to curb our luxury—to mortify our madness for trade and foreign wares. Our present manner of trading, if persisted in, must prevent us from ever being in any reputable degree, an independent or a commercial nation; still it is said that the balance of trade is not so much against us; but I ask any gentleman acquainted with it, if the rate of exchange is not against us? I ask is not the rate of exchange the touchstone of trade—and the infallible criterion which side the balance turns to? It shews the price of money. Is not the rate of exchange more against us than before the bank existed? I believe it is; and the influence of the bank is well calculated to keep it so. I wish for a commerce built upon the foundation of population and industry; every other kind of commerce must be ruinous, and ought to be discouraged.

The trade of Amsterdam has been mentioned by a gentleman, and applied to our case; but I cannot see any similarity. It is true, the people of Amsterdam have very little of the produce of their own country to trade upon; but they make the materials of almost all the world their own—so as to promote population and industry; they are in a great degree the mechanics, the factors, and the carriers of Europe; and their wealth is the envy even of London herself. But we neither manufacture nor carry for ourselves—nor do we get rich.

A gentleman

A gentleman from the city [Mr. Fitzsimons] has mentioned the cheap bargains overtrading and usury have given many an opportunity of obtaining: but I should have thought this a sufficient argument on the other side. Is it not an evidence of the evils about which we complain? Is it not the cause of the ruin of many?

The great amount of the impost received last year is also used as an argument: certainly this is an incontestible evidence to my purpose. We received 100,000*l.* of an impost: and we may presume that much escaped the notice of the officers: and the impost a part of that time was low: how amazingly, therefore, must our imports have exceeded our exports! I suppose the difference could not have been less than fifty, perhaps a hundred to one. Can any nation long exist, conducting such a trade? The gentleman mentions the vast improvements occasioned in Scotland by banks since their establishment. I believe Scotland has received benefit from banks: but our circumstances and those of Scotland are very different; and though I am not sufficiently informed to be able to describe the banks of Scotland, I know they are neither chartered nor conducted like the late bank, now under debate.

A worthy member [Mr. Morris] in his arguments in favour of the bank told this house, that I also loved wealth, and pursued it—Doubtless I do. I love and pursue it—not as an end, but as a means of enjoying happiness and independence; and so far I am for enjoying it. Though I have it not in any proportion to the degree of what the worthy gentleman has informed us of himself—yet I have more land than I can make a proper use of, and not a great deal less than I wish to have, though I purchased it at second hand. I have enough of wealth to give a spring to industry; and to procure the necessaries and a competence of the comforts of life. But he has said that I follow land-jobbing; that he has seen me in the land office; and that if I did not procure lands for myself, I charged commission upon doing it for my neighbours. I denied these charges with perhaps too much warmth—not because they were disgraceful—but because they were, as applied to me, mistaken; the gentleman has told us to-day that he is able to prove the charge against some one person. I wish the person was produced, and the charge proved; I should insist on the proof being brought forward, but from a consciousness that it will not apply to me—and from an opinion that it was improperly introduced into the present debate.

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However, I believe, if members of this house are meant, the instances are rare; and I should have passed the whole as a piece of humour, but for the opportunity it gives me of offering a short but true picture of the situation of many of my constituents. Living as they do, in a new settlement, after having encountered the accumulated woods of ages, and beasts ravenous by nature, and rendered still more so by the unbounded extent of their range, they had scarcely made openings round their abodes—they had not banished the beasts of prey—when men more fierce, more cruel than the beasts, desolated their new raised dwellings, and spread destruction far and wide. Now, when they are returned, and feebly repairing the ruins of their dreary wastes, they find themselves in debt to the state for the very lands in defending which many of them lost their dearest friends and all their wealth. They endeavour—they strive with arduous diligence to pay the state its due: and, to be able to call the lands their own, they sell the last cow and sheep, to procure a little money (for nothing but cows and sheep will find money there). I myself have been urged to take the last cow—to take any thing they had, in order to secure their lands. They raise the last shilling they are able—and plead, as if for life, that we may add a few dollars to the scanty sum; and these are the people from whom the gentleman seems to think I take enriching commissions; but all the generous feelings of the human soul forbid such means of obtaining wealth; and it is a method much better suited to the habits of a merchant than a farmer.

One argument much used on the other side of the debate, I beg leave, altho' it has been well replied to already, to notice a little further. It respects the number of petitioners who have now brought this matter (it is said) before the house—it is emphatically called the voice of the people. In addition to what other gentlemen have justly observed upon this argument, I would further remark, that in every government (even the most absolute) the popular opinion, if not immoral, is the voice of God; but in Pennsylvania, it is not only formally but in fact the voice of the government—the government being solely founded on the popular authority; and the legislature being authorized and instructed to speak the popular voice, they are necessarily supposed to speak the voice of the people; one exception may be admitted, viz. if some new case arise, or if some new information is obtained, the majority of the people instructing and informing

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their representatives, ought to be attended to. But is this the case in the present debate? By no means. The petitioners do not amount to one twentieth of our constituents; and under all the influence that the nature of the institution cannot fail to produce on the human mind, surely it is wonderful, every thing considered, that a much greater number of petitioners was not obtained, and strange that the gentlemen should make use of the few that are obtained, as an argument; but the case is too plain to be dwelt upon.

Having laboured arguments too long, which are clear in themselves, and, I trust, well understood in this house—I shall just observe that as some of them have been mis-stated, a few instances of which I have mentioned—and some others replied to with candour and ability—and as the two gentlemen who have risen in answer, have made honourable mention of my general arguments, but stated their objections—I have ground to believe that those observations of mine which have not been replied to, are admitted; and, indeed, as they were drawn from the nature of things, I think they were unanswerable—for things will ever operate according to their nature.

We are one great family: and the laws are our common inheritance. They are general rules, and common in their nature. No man has a greater claim of special privilege for his £.100,000 than I have for my £5. No. The laws are a common property. The legislature are entrusted with the distribution of them. This house will not—this house has no right, no constitutional power to give monopolies of legal privilege—to bestow unequal portions of our common inheritance on favourites.

This bank, the charter of which has been dissolved, and is now endeavoured to be renewed again, was truly an extraordinary creature. None like it does, I believe—none like it ever did exist in any nation: and surely such a being will never be restored—will never be created again by the legislature of this state. If we should restore it, we would have no security but in the moderation of the directors and stockholders: but who will answer—who can be responsible for future men—future times—and future events?

Mr. Clymer. Being considerably indisposed, I should not have taken any part in this day's debate, but that the report before us has been cavilled at. The gentleman from Fayette has again censured the charge in it, against the committee of the late house for not making enquiry at the bank. Where
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would have been the use of this, says he, does any one think the president and directors would have given any information against themselves? I will tell that gentleman its uses: It would have, at least, satisfied the forms of justice: and, had answers to proper questions been refused, it would have furnished more real matter against them, than any which has been alleged. The gentleman from Westmoreland has found it exceptionable in attacking the law on a wrong principle. When a law is once passed, says he, you should attend to its policy—and not to the means by which it was obtained—or, in effect, if the end be good, it shall sanctify the means. It has been a reproach to the order of the jesuits, that they held this doctrine: but I find there may be jesuits out of the Roman church. It is not taught by any presbyterian synod that I know of. It is not drawn from religion or morals—it is not the usual doctrine of the world,—near three thousand of our fellow citizens know nothing of it: they have, in their memorials to this house, omitted the policy of the law, to arraign the means of obtaining it—it was sufficient for them that the means were bad. The committee to whom their memorials were referred, have followed their example: they have proved that the late house were deceived by their committee—that the repealing law stands upon the falsest ground, the assumption in the preamble being absolutely without support from fact, and is not now contended for in argument: they are therefore fully justified in the conclusions they have drawn from those premises.

It was the least of my design to touch upon any thing but what concerned the report: but as the vote is, I suppose, to be immediately put, I would rectify the same gentleman's notion concerning the banks of Scotland, which he seems to think are banks of mortgage: as far as I have read or heard, there were two banks of discount at Edinburgh, which also lent on mortgage for a time, as long as they were able. Being obliged to drop the practice, the landholders, to supply their necessities, instituted a new bank at Ayr, for the sole purpose of lending on mortgage. But the long credit on such loans, soon reduced it to the greatest difficulties. It at length broke, and involved the whole country in ruin.

Previous to putting the question on the report, Mr. Han- num moved to add to the resolution it contained, a direction to the committee to introduce a clause into the bill it recommended to be brought in, a clause subjecting the charter of the bank to proper regulations, restrictions and limitations.

This

This motion was negatived.—Yeas, 30—Nays, 39.
 On the question, “will the house adopt the resolution
 “submitted by the committee?” the yeas and nays were as
 follow, viz.

Y E A S 28.

Robert Morris,	Emanuel Carpenter,
Thomas Fitzsimons,	Joseph Work,
George Clymer,	Abraham Scott,
John Salter,	William Parr,
George Logan,	Henry Miller,
Wm. Robinson, jun.	David M'Connaughty,
Robert Ralston,	Michael Schmyser,
James Moore,	Philip Gartner,
Thomas Bull,	Joseph Lilly,
John Hannum,	Henry Tylon,
Samuel Evans,	David M'Clellan,
Townsend Whelen,	Adam Eichelberger,
Adam Hubley,	George Woods,
Alexander Lowrey,	Samuel Wheeler,

N A Y S 41.

William Will,	Peter Burkhalter,
James Irvine,	Robert Brown,
Isaac Gray,	John Piper,
John Clark,	Frederick Antis,
Arthur Erwin,	Samuel Dale,
John Smith,	William Todd,
Joseph Thomas,	William Finlay,
Robert Smith,	John Hughes,
Jonathan Morris,	John M'Dowell,
Robert Whitehill,	James Edgar,
John Carothers,	John Smilie,
Frederick Watts,	James M'Calmont,
John Creigh,	Abraham Smith,
Abraham Lincoln,	John Rhea,
Nicholas Lutz,	Benjamin Rittenhouse,
Henry Spyker,	Robert Lollar,
Philip Kreemer,	Adam Orth,
Davis Davis,	Robert Clark,
Baltzer Gehr,	David Krouse,
Robert Trail,	Daniel Bradley,
Peter Trexler, jun.	

So it was decided in the negative, and the report rejected.

F I N I S.

