

## Legislative Summary.

INDIANAPOLIS, Jan. 14.

The disposition of the surplus revenue continues to be a vexed question; the probability, however, is that it will either all be appropriated to the extinguishment of the interest on the State Bonds, or a part of it to this purpose, and a part to purposes of common schools. The bill raising the salaries of certain officers passed both Houses in the form that it came from the select committee, to-wit: \$1500 to the Governor; \$1500 to the Judges of the Supreme Court; \$1000 to the Judges of the Circuit Courts; pay of members of the Legislature \$3 per day, except the President of the Senate and the Speaker of the House, who are allowed \$4 per day.

Mr. Clark, of the Senate, from the committee on canals and internal improvements to which was referred so much of the Governor's message as relates to the supposed inequality of the authorized system of internal improvement, with instructions to inquire into, and report what additions are necessary to extend equal justice to every part of the state, made a very long and able report, too long to admit an abstract in a summary. Our readers may learn the tenor of the report from its conclusion, which is as follows: "And the committee have further directed me to report that in their opinion, any further enlargement of the system, at the present session, is inexpedient, and would lead to a prostration of the credit of the state, and an abandonment of the works already commenced."

On the bill changing the mode of voting for U. S. Senators and others, considerable discussion took place in the House. Those who advocated the bill were Messrs. Ferguson, Crume, Stapp, Porter, Owen, and Wright; those who opposed it were Messrs. McCarty of F., Hanna of M., and Proffitt. The principal ground upon which the bill was supported was, that as representatives are under the direction of their constituents, the mode of election should be such, that the constituents of the several members may see whether or not their representatives, respectively, vote their wishes. The gentlemen in the opposition contended that the mode was fixed by the constitution, and that no evil has yet been seen growing out of it that would seem to demand a change. The bill to raise the salary of Governor, Judge, &c. and to increase the pay of the members of the legislature, underwent considerable discussion; in which Messrs. Crume, Evans, Pepper, Rockhill, Marshall of Jeff., Hanna of M., Owen and others participated. The debate was principally on amendments to the bill, which were cut off by the call for the previous question. An attempt was made to increase the salary of the Governor to that of two thousand dollars; but the impression seemed to be, as the system of internal improvement would require some additional taxation to support it, that the better policy would be not to increase it beyond the sum contemplated by the bill, which is fifteen hundred dollars per annum.—*Journal*.

INDIANAPOLIS, Jan. 18.

In the Senate to-day quite an animated debate took place on the passage of the bill providing for a survey of a canal route along the east branch of White-water. The bill provides for a survey of the route during the ensuing summer, if the Engineers shall have sufficient time to make it. The bill was some days ago referred to the committee on canals and internal improvements. Mr. Clark, chairman of that committee, reported it back with a recommendation that it be indefinitely postponed. The report was not concurred in by the Senate. The question then came up on its final passage, when an animated debate took place, in which Messrs. Clark, Thompson of Lawrence, Morgan, Plummer, Dunning, Walker, Vawter, Colerick, Trask, Bell and others participated. The passage of the bill was zealously opposed by Messrs. Clark, Thompson, and Kennedy, not on account of their opposition to the isolated proposition, (the reasonableness of which if the system is to be extended they admitted,) but because they regarded it as an entering wedge which would endanger the whole system; and that if this innovation should be made it would be opening the door for other measures, making the system so extensive as to prostrate it. Most of the other gentlemen supported the bill on the ground, among other things, that it would subject the state to no expense, that it asked for nothing but a survey, that the measure in itself was reasonable, that the system of last year was not so perfect that no innovations should be made upon it, &c. &c. The bill passed by a vote of 34 to 11.

for the office of Associate Judge, proved their claims to the office to which they aspired, in their barbauges to the people from the stump. The first, supposing that military service was a merit that would entitle him to office, said, among other things, "My fellow citizens, I did not exactly myself serve in the late war, but I had a nephew that fought under Dick Johnson at the river Thames, who was wounded in the ear." The other then mounted the stump, and said: "Fellow citizens, I was not exactly in the battle of Tippecanoe, but I was close at hand—I was at Louisville in Kentucky," and then dodged his head, as though he were dodging the bullets. On this subject, Mr. President, I have been menaced. I have been threatened with political vengeance. Well I know, sir, that the people of the Rising Sun have a power—a great power, and influence over the citizens of my county; well I know that a political bludgeon is now suspended over me. But, sir, were there no other considerations than mere expediency, was there no constitutional barrier,—I must and will oppose this bill. Must I violate my oath through fear? Must I crouch at the dread of such a menace? No, sir. And now suffer me to mention the extraordinary management about this bill; not to go into its curious history in the other House, or the legal farce in the committee, here acted over again with pompous declamation.

But I will come down to facts that will rivet conviction on every Senator. I venture the assertion that not less than forty representatives have been engaged in endeavoring to influence the votes of the Senate. Is this a mere conjecture, or is it a fact? Yes, it is a fact, that each one of you have been assailed, over and over. You have been plucked by the elbow; promises have been whispered in your ears,—assurances of votes for your dear and favorite measures, have been held up as a bait and every one of you that hears me speak, knows that this is the truth. Then this must be some extraordinary affair, to call forth such unusual exertions, to enlist the services of so many disinterested advocates. There must be some great magician behind the curtain, and we liable to be made the dupes of the deep laid scheme. I admit, sir, that the Rising Sun is a flourishing town—that its citizens are as respectable as any community within my acquaintance. And, further, that I would rejoice at an opportunity to oblige them. But, sir, this is not the time. This is not the occasion. Their demands must have more of rationality—more of consistency. They must not contain the elements of future war, and mischief, to justify my support.

The senator from Lawrence proposes that this Senate shall, without a knowledge of the History of Dearborn county, here, by one hasty act, settle all the disputes, bring up order out of chaos, and make a lasting peace in Dearborn. It minds me of the two first lines of a poem by Fessenden, when Perkins went to England under the pretence of curing all diseases by metallic tractors by rubbing something like a pair of steel compasses over the diseased body:

"Great doctor caustic is a sage,  
Whose merits gilds this iron age."

Permit me to give something of its recent history. I admit her quarrels and her troubles to have been of long standing. Two years ago, a great majority of her citizens petitioned for a re-location of the county seat. Then I opposed it in the Senate. I held it bad policy to make changes in county seats, without some great and good cause. The people of this contemplated new county then were opposed to Lawrenceburg, they were among the petitioners. The bill passed; commissioners were appointed; the county seat re-located at Wilmington. The citizens of Wilmington have been at the expense of building an elegant court house, and other county buildings. The people of Lawrenceburg resisted. They instituted suits in chancery to prohibit a removal of the books, records, and a change of the place of holding courts. A decision was had in favor of Wilmington. An appeal is taken from that decision. The Supreme Court has decided that Wilmington is the county seat—the true place of holding courts. In the meantime, these old enemies, Lawrenceburg and the Rising Sun, to forestall the decision of the Supreme Court, unite, and become friends. Here, sir, is a meretricious union—founded not in affection, but growing out of avarice and lust of power. These old enemies unite their forces, and petition for a new county to include the Rising Sun. So that when the Supreme Court shall have settled the old dispute, the formation of this new county will throw Wilmington so far from

the centre, as to create a new pretence for dissatisfaction, and then Lawrenceburg is again to assert her claim for a re-location, and eventually to the county seat, and the holding of courts in her vicinity. Now, sir, the people of Dearborn have settled the question of a re-location from Lawrenceburg. The legislature sanctioned it. Five sworn commissioners, resident in other counties, have fixed it at Wilmington. The circuit court, after solemn argument, has decided that Wilmington is the only lawful seat of justice. The Supreme Court has confirmed that decision. The laws are about to be administered after the long reign of anarchy. Debts can now be collected—the sword of justice is drawn—the thieves are fleeing—peace is beginning her happy reign, and the people about to settle down in long-desired tranquillity, when lo! the Rising Sun seizes a fire brand, rushes amid the peaceful abodes of the people, commits arson, and produces a conflagration that consumes and blasts all peaceful prospects. The din of war is again to be rung,—parties to be formed and rallied, and a long, long commotion is to ensue.

I cannot sit down without attempting to do justice to the Senator from Dearborn, (Mr. Plummer.) He, sir, has been uniform in his opposition to this bill, though he has been patient and yielding in a degree, to give its friends every opportunity of defending it, and preparing and amending it for defence. He, sir, in his place tells us that it is not the wish of a majority of the people of Dearborn that this bill should pass. And will we not believe him? We have all tested his integrity and firmness—his urbanity and goodness. He has no property at any of the contending points, to be increased or lessened in value, and thereby to warp his judgment or belief, as to the wishes of the county. Do the sworn witnesses stand in the same attitude? They are men, it is true, whose bare words would be enough for me in all matters that they well understand—in all absolute facts, not mere matter of opinion where the judgment is ever liable to be warped by interest. But this is matter of opinion—the opinions of the representatives as to the opinions of the people—and these representatives deeply and personally interested. Two of them own great possessions, it is said, at Rising Sun. The prospect of fortune biases their opinions, and may make them think that the great multitude must think with them. Other two of them live at Lawrenceburg, and are the owners of great real estate there. They all say that they believe the formation of this new county will quiet all disturbances. So it will. It will produce a quiet in their own minds; each seeing that the measure will add ten thousand dollars or some great sum to his wealth, feels a composure at the prospect, and feeling so himself, he imagines every body will also be contented and happy. It has been admitted by the friends of this bill that its passage may eventually disturb the present boundaries of nearly all the counties in the state. Such admission alone is evidence enough to prove that it is wrong to pass this bill. To carve out fifty or eighty new counties of four miles square, with a view to enlarge them, would disturb almost every county, and shake the foundations of every court house in the state. As lovers of peace, as discouragers of discord, we must oppose it. By our constitutional oaths, by every consideration of expediency, we are now called upon to vote for the indefinite postponement of this bill.

### REMARKS OF COL. JAMES.

In the House, Jan. 5, on the bill to dispose of the surplus revenue, by creating the "Indiana State Funding company," with 35 branches. The motion pending was to reject the bill.

Mr. JAMES said—

Mr. SPEAKER: I am one of the committee of fourteen to whom was referred the resolution to dispose of the surplus revenue.

In presenting the different views of gentlemen composing that committee, there seemed to be the following objects in view: 1st. to place it in the Banks; 2d. to loan it by commissioners; 3d. to give it to the counties for any object they might apply it to; and 4th. to *fund it out of the Banks*.

The project of placing it in the Banks seemed to embrace four different propositions: 1st. to place it in the Banks, to be by them loaned out as other moneys are; 2d. to be loaned for a greater length of time than Banks usually loan; 3d. to subscribe the amount as stock in the branches already established; and 4th. to establish new branches with the fund. The objection

which presented itself to me as to the placing it in the Banks, to be by them loaned out as other moneys are, was this, that inasmuch as the Banks have the power to extend their circulation to 2 1/2 of their real capital, *they* would not accept this fund, (without placing it on the same footing,) and pay an average of interest, for a dollar at interest is not worths much as if you can, on its credit, loan 2 1/2 dollars.

The second proposition which presents itself to me, is the keeping it in the Banks a separate and distinct fund, and to be loaned for a greater length of time on real estate security. The objection to this is, that it would give the Banks great trouble, which must be compensated by a tax on the fund itself; and in consequence of there being so few Banks, it would necessarily fall into the hands of the few individuals located near it, and to the exclusion of the many. A further objection to both propositions is, that the fund so invested could not pay as great an interest as the one embraced in the bill before the House, and to which I shall hereafter allude, nor would it get as general circulation or give as general satisfaction, provided the Banks would accept it on those terms.

The third proposition of placing it in the Banks, is to take an additional amount of stock in the branches already established. This, sir, can only be done by granting the privilege to the Banks to extend their paper circulation to 2 1/2 of the fund itself. This, sir, will be necessary to place it on the footing of other funds employed in the Banks, and will require an additional expense in the issue of a new batch of paper, which will be put into circulation to accommodate this particular fund. Now, sir, I am fully persuaded that the Banks will not accept of it even on these terms. Sir, if the Banks wish to extend their circulating medium—if they find that more funds are necessary to accommodate the country in which they are located—have they not the means of increasing that circulation on better terms than to accept this fund? It is a provision in their charter, that when the business requires it, they can increase their capital stock. This, sir, has already been the case with several branches, and as all did not embrace the offer to increase their circulation, it is conclusive that all did not want it. And, sir, is it at all probable, that while they would not embrace an offer of a fund so permanent, they would accept of this uncertain fund?

Another proposition has been made to create new branches of the State Bank with this fund. The objection to this proposition seems to be the uncertainty of the fund itself. It is known to all of you, that we only exercise the control over this fund; that it belongs to the general government, and that the Secretary of War has the right to draw for it whenever he pleases. It is true, gentlemen may say that he can only draw for it on certain conditions. Sir, I say he owes no accountability to us. The very fact that he does draw, is conclusive evidence that the Government wants the money, and his drafts will be the voucher; and, sir, we may expect that the President elect, if he finds that public opinion is in favor of its being applied to some other object, will so apply it, for it is notoriously known that he is opposed to its distribution among the States. What, sir, will then be our condition with several Banks predicated on this borrowed fund? Why, sir, we will have to break up those Banks created for the employment of this capital, or resort to a tax on the people to raise this money. And, sir, the latter will probably prevail; and, sir, being opposed to a tax on the people for any object other than that of supporting the government, I shall go distinctly against any institution which will be likely to ultimately have that effect.

[Mr. James then stated his objections to the proposition to divide it to the counties of this State, and appoint a commissioner to loan it.]

The last proposition which I shall speak of, is to fund it *out of the Banks*.

In view of this proposition, the committee have drafted the bill which now lies on the clerk's table, and which it is proposed to reject. In making a bill, the provisions of which are so extensive, it could not be believed that the few who drafted it, could meet the interest, or even the views of every gentleman, either engaged in the labors and duties of this House, or the community at large. The committee anticipated no such perfection. They took the middle ground. They propose by this bill the adoption of a measure which, I think, will, in the greatest possible degree, place the fund in a situation entirely safe, where it will yield the greatest interest, and accommodate

the greatest number of people; and if the location of the offices, or any other provisions of the bill, are not such as to produce that effect, the bill itself is in the especial keeping of this House, and they can alter or amend it so as to produce that effect.

This bill provides for a State office, with branches at the different important points, to the number of some 30 or 40, with the provision that before this fund can be drawn from the Treasury, an equivalent must be subscribed by individuals. Then, sir, instead of one and a half millions of dollars being placed in institutions for the purpose of being loaned out to accommodate the wants of the people, the sum of three millions will be applied to that object, thereby accommodating a greater number of persons. Another important object is attained—you place it in all the business points, and divide it among so many offices, that a greater number of persons are accommodated. *Is to the safety of the fund?* it cannot at all be doubted, that a fund of forty thousand dollars will be safe in the hands of men who are able to back it by an equal amount; and its security is placed precisely on the same footing with Bank securities, and the interest will probably be about the same. But the great advantage in this is, that it, in the greatest possible degree accommodates the people. I make this assertion, sir, without any fear of contradiction; for, although it may be argued that by placing it in the hands of a commissioner in each county, the people may have greater access, than if only one office is established in every two counties, yet from the very manner of letting, it will fall into the hands of the few.

[Here Mr. James went into detail on the operations of the proposed institution.]

But, sir, the manner here proposed to lend the money, while it gives to the applicant all the advantages he can receive from a loan from a Bank, gives him the additional advantage of a longer time. It is a fact well known that the Banks cannot lend their money on a long time, from the fact that they lend more money, or issue more paper, than they have specie to redeem, and the accounts of Banks are always considered healthy, when their specie and bills and notes purchased, balance the notes in circulation. Now, it is self-evident that if all this paper which they have put into circulation, should be returned upon them suddenly, they could not redeem it, and would have to suspend the payment of specie, until they could collect their debts. From this circumstance it is that Banks cannot loan money for a long time. Not so with this institution. They only lend their own money. They have no power to issue paper, and consequently no fear of a run on them for specie. They lend the kind of money they may chance to have on hand, and for just such time as suits the borrower. By this means, then, you accommodate that very interest in the State, that the Banks from the very nature of their privileges cannot. As to the expense of managing this fund, great mistakes prevail.

[Here Mr. James showed the relative expense of Banks in the proposed institution.]

As to the interest derivable from this fund it can be applied to such objects as this legislature may direct best. But, sir, inasmuch as some gentlemen wish it applied to pay the interest on State loans, while others, with equal claims, wish it applied to purposes of Education, would it not be better to divide the interest so as to accommodate both parties?

As to the objection to its power to hold real estate—let that matter be amended in committee. Its power of insurance has also been objected to, but the risk on insurance is no greater than the risk on loans to individuals. If losses are likely to be sustained in insurance companies, the same losses may take place by failures in the borrowers of money.

If gentlemen do not like the bill with its present features, let it go to a committee of the whole, where it was

designed—but I protest its rejection at this early stage.

WASHINGTON CITY.—A writer says: Formerly, you could get cabbage and cold victuals in Washington for eight and ten dollars the week; but now you are chalked up to the beautiful tune of fourteen dollars—and yet the cabbage and cold victuals are what they were in the year 1750. It requires a philosopher with a full pocket to stand such things.

A NEW SOURCE OF REVENUE.—Some of the Southern papers recommend the sale of Santa Anna at Auction, to be knocked down to the highest bidder, to defray the expenses of the Texian war.