

VEVAY TIMES AND SWITZERLAND COUNTY DEMOCRAT.

and most favored business of the bank. For the produce business of the west and south is of all others the most attractive to eastern capital. It generally yields more profit than any business there, and the returns are made to the place where capital belongs. Every year, therefore, in ordinary times, large amounts are devoted by eastern capitalists to the purchase of western and southern produce in our markets. And this capital naturally seeks for the least competition. If, therefore, we were to apply our own credit and capital to the production of our great staples, we would derive all the advantages resulting from the annual employment of so much money as comes from abroad, and would have a much greater amount of surplus produce for sale, whereby to increase our permanent domestic wealth. The banks, indeed, would realize less profit in consequence of relinquishing the heavy rates of exchange now paid them by produce importers, and which are in fact levied on the producers themselves. But they could acquire equal facilities for sustaining their circulation and equalizing the exchanges, by thus having eastern funds, so much sooner, than when they must await the sale of our produce at the ports of destination. And, if the amount of capital thus availed to us were insufficient to effect the shipment of our surplus produce, the residue might be supplied from the banks at home. It may be thought by some, that even in a country so generally agricultural as ours, banking capital is inapplicable to the farming interest. But it has been found by the experience of the Scotch banks, that such institutions devoted to that business, have been the safest and most useful of all. The Scotch banks have been distinguished above all others for prudence, credit and success, as well as for the extraordinary facilities rendered by them to agriculture. It is far from the wish of the committee to institute invidious comparisons between different classes of citizens. It is their complaint against the bank for that course, for its extreme partiality to the merchants over the farmers, that rendered a consideration of their respective claims here necessary. Besides the question is not, whether the farmer shall have credit from the bank; but whether he shall receive it directly from the bank itself, and in amount, or whether he and his wife and daughters shall get it through the merchant, and in the shape of merchandise.

The benefits of the bank having been confined to a small number of persons, counties and towns in the state; and devoted to the promotion of a branch of the business of the community, which is neither the most profitable, nor the most wholesome, it becomes important to enquire into the cause of this course. Our bank is substantially a government over the industry, credit, commerce and property of the people. There are about one hundred and fifty directors, equal to the number of Senators and Representatives. There are about fifty officers, (presidents, cashiers and clerks,) whose aggregate salaries amount to about \$7,000 dollars, exceeding in number and pay, the executive and judicial officers of the State. The political power of the state, however, is delegated by one hundred thousand votes, or rather, by a majority of them; the total number of stockholders is 1146, but according to the present distribution of stock and mode of voting prescribed in the charter, the average of the votes for directors is given by 220 men. There are 443 holding stock to the amount of \$500 and under; 195 over \$500 and under 1,000; 242 over 1,000 and under 5,000; 41 over 5,000 and under 10,000 and 15 over 10,000.

Assuming that the first class average four votes and the last average about \$16,000 of stock; each, and that the intermediate classes hold an amount midway between the two sums under which they are classed, and it will be found that the money power of the state—the control over the \$1,202,000 of state stock, the 1,333,221 of private stock, the 300,000,000 of circulation, with all the credit, property, labor and hope depending on them, is in the hands of two hundred and twenty-nine men. And if we consider that considerable amounts of stock held in the name of several persons, such as minor members of families, are voted by one, it will not be saying too much to suppose, that this vast power is actually at the control of between one and two hundred persons. The number of the directors is about one hundred and fifty, so that we may conclude, that they have the power of continual re-election of themselves, or their friends and the maintenance of their policy against all opposition.

The state is entitled by charter to the election of four directors and a president of the state board, but these do not form one third of the whole number and consequently may, in any case be outvoted, where the interest of the private stockholders comes in conflict with the public. The state directors appoint three members of each branch board, and these again are in the lean minority without power. So that the state owning one half of the stock, and conferring the privilege of a circulation of three millions is in fact powerless in the management of the bank. Private stockholders, then, holding a majority of the private stock, and not numbering as we have shown, perhaps two hundred men, have the absolute control. And this explains the present condition and policy of the bank. Hence it is, that its favors have been so greatly circumscribed to their own neighborhood—to their own class—to themselves. And this does not seem to be a temporary or transient condition of the bank; but permanent and habitual. In a report made by it to the legislature last session, it is remarkable that the amount of debt then due from stockholders was \$1,408,071, almost the same as the present. The loans of the directors were then \$403,549, something less than now. The liabilities as endorsers and partners were not stated. We understand that since that report the number of the directors in the branches has been reduced, so that there are now two less in each than before. This ought to have lessened the liabilities of the directors, in proportion to the reduction of number, even though the bank had not made requisition of a single dollar. But in the mean while two other branches have been established, and the commencement of their operations, presents a fine illustration of the system. The private stock of the Michigan City branch, which went in operation last year, was \$40,000 according to the report of November 16, and directors are borrowers to the amount of \$3,591 and the other stockholders \$1,581, making 40,470, or more than their stock already. The same directors are liable as partners and endorsers for \$56,672 more, and the other stockholders 10,020; the directors alone being al-

liable, as borrowers, endorsers and partners for more than double the total amount of all the private stock. The South Bend branch is a still more striking specimen. The private stock on the 10th of November last, was \$1,171. And the liabilities of the directors are now as borrowers, \$9,837; that of the other stockholders \$0,507 making together 147,144, or nearly four times their stock. The other liabilities of the directors, as endorsers and partners is \$1,237, and of the stockholders \$2,367, so that the total liabilities of the directors and stockholders of this branch is 243,744 or nearly eight times their stock. And it is remarkable that this is more than 70,000 beyond the entire amount of all their loans on the 10th of November last, it being but little more than six weeks from the date of that report, to the answer of the branch to the committee.

From the present condition of the bank, from its own report more than a year ago, and from the manner in which new branches are organized and managed, it would appear that the holders of a majority of the private stock have in fact paid for that stock in their promissory notes and thereby acquired enough to control the bank and then borrowed out twice as much besides. They gave their notes at 6 per cent., in exchange for a stock that pays in dividends and surplus about twelve per cent., thus realizing a regular profit or income of 18,000, for the term of the charter. Such an income for twenty years, amounts to a clear speculation of \$76,000. But this is not all. They borrow, over and above what pays their stock, about a million of money, at say an average of seven per cent., in this country the usual rate is ten. This difference of three per cent. on a million for twenty years is \$60,000 more, which added to the other clear speculation of nearly a million, made by a few stockholders on the state, by the mere cunning of securing a majority of the private stock in the bank for their own promissory notes renewable continually. Such a course however is not peculiar to the stockholders of our bank nor are we to consider it a stain on their character as men.

It has been the case with banks generally throughout the country. The charters of almost all the banks that have been created for the last twenty years require the capital to be paid in specie. And it may be done on the day the bank goes into operation, but minutely the specie is reduced, by the loans that are made to an amount deemed sufficient, for the basis of circulation, and its place is supplied by the notes of the borrowers. A State Bank, however, like ours, presented peculiar facilities for such a management and it is remarkable that although the State furnished the specie to pay for its own stock, and more than two hundred thousand dollars of the private stock besides, yet that the average amount of specie in the bank from the beginning is not equal to the state stock alone, although there was at one time, more than a million and a half of United States deposits in the bank besides. What then must be said of a charter, which confers on the holders of a million and a half of stock, the power of securing a million and a half of stock, the power of securing to themselves, without actual investment of money, a clear speculation of a million of dollars, and the distribution amongst themselves, their friends and favorites, their own department of business, their own towns and counties, of three-fourths of the entire capital and credit of a great State Bank. This has been done, without violating the letter of the charter, but in gross violation of its spirit, meaning and intent. The bank however has twice clearly violated the letter as well as the spirit of the charter. First in 1837 when it was executed by the Legislature, and again in the months of October and November last, every branch in the state except three (Michigan City, Fort Wayne, and South Bend,) once more suspended specie payment, and that suspension received the recorded sanction of the State Board. The 8th section of the bank charter declares "That the said bank shall not at any time suspend or refuse payment of gold and silver of any of its notes, bills, or obligations due or payable, nor of any moneys received upon deposit;—and if said bank shall, at any time refuse or neglect, to pay any bill note or obligation issued by such bank, if demanded within the usual banking hours, at the proper branch, where the same is payable, according to the contract, promise or undertaking therein expressed, or shall neglect or refuse to pay on demand, as aforesaid any moneys received on deposit, to the person or persons entitled to receive the same, then, and in every such case, the holder of any such bill, note or obligation, or the person or persons, entitled to demand or receive such moneys as aforesaid shall respectively be entitled to receive and recover interest on their said demand, until the same shall be fully paid and satisfied, at the rate of twelve per centum per annum, from the time of such demand, as aforesaid, and any branch, so failing to meet its engagements, may be closed as in case of insolvency."

This section then, which is the most important in the whole charter, has again been deliberately violated; and such was the natural consequence of the previous management of the bank. Governed by a very few, lending its credit to a few, conferring the great part of its loans, to a particular class, to a few towns and counties, it became difficult, when a change of times occurred, to collect even a small amount of its debts to meet the demands against it. And it was of course not only the interest but the salvation of the directors to suspend, being themselves liable as principals and endorsers, to the amount of a million of dollars.

The suspension, however, is thought by some excusable and by others commendable—and it has been defended as a measure of policy—of necessity. On this subject, much vague, indefinite, and inaccurate statement is made, and long fallacious reasoning is resorted to. The suspension is ascribed to the advances of the bank, on the public works amounting to \$635,000; but if that would embarrass the bank, how much more would the permanent loan, of more than twice that sum to the stockholders; if one be cause of suspension why not the other; and which the principal? And if the state have any right to borrow money at all, of the bank, she could certainly claim, at least half of the loans, made to private stockholders, since her stock amounts to much as theirs, and was actually paid in specie and not promissory notes. Besides the payment of the money on the public works, in their immediate vicinity by the branches, enabled them to collect a large proportion of it back again, from the debtors, who could not other-

wise have paid. It will also be contented that the failure of the state in obtaining her loans for internal improvement, and for increase of bank stock (on both of which the bank relied as a means of sustaining her circulation) was a sufficient cause of suspension. This is a specious and plausible excuse, but results from a total misconception of the subject. The circulation of the state bank, ought not to have been increased, even if that money, had been certain, for our state circulation was large, prior to the negotiation of those loans. The prices of produce were high. Pork had sold in our neighboring markets, between six and seven dollars per hundred, and this at a short period after the assumption of specie payments by the western banks. This was a clear indication that both currency and credit were sufficiently abundant that prices were already high enough—and as afterwards appeared, much too high for profitable exportation. To prudent and sagacious men it ought to have been reason for a restraint and contraction; and particularly when it was considered that heavy expenditures were at hand, on works of internal improvement—which would at least make a temporary expansion in the currency—increase the price of labor, and the cost of constructing the public works, besides the stimulus of private enterprise and speculation. The prospect therefore for realizing our foreign loans ought to have dictated contraction rather than expansion of our currency. Yet the bank actually increased her circulation to a considerable amount, as we must infer from the fact, that now after all the contraction, that subsequently occurred before the last suspension, the circulation is still larger, than by last year's report. But it will be insisted that although the bank, might have been unwise and imprudent in permitting so much circulation to go out, she was certainly justifiable in suspending, when the change came on. It is alleged that a continuance of specie payment, would have caused an excessive reduction of the money, in common use, would have prostrated the price of property, and labor, and produced wide spread ruin. Here again the reasoning, is very indefinite, declaimatory, and inconsistent. The branches tell us, that they suspended chiefly against foreign brokers and bankers. If this be true, how does the suspension affect the circulation at home. These foreigners do not throw our paper into circulation in the state, on the refusal of their demands by the banks. They take notes back or arrange in some other way with the branches, to take them up, and they are as much withdrawn from circulation as is rendered in specie. It is difficult to know what would have been the actual reduction of bank circulation without suspension. The Ohio banks have, with a slight interruption, continued to redeem their paper, and have been compelled to curtail their circulation from about six millions at the time the bank suspended, to five millions in the beginning of winter. If our bank, whose circulation at the time of the suspension, was three millions, or half that of Ohio had been subject to the same proportional demand for specie who would have paid out only half a million up to the sitting of the Legislature—which is only half what she had on hand. Thus the observance of her faith and her charter would have caused but a very slight additional scarcity of money, and only half her gold and silver—for the notes presented for redemption, coming from the adjoining states would have had but little effect on our supplies at home. As for the deposits they are but small, and would have caused but little drain on the bank. It is however alleged that if the bank had persisted in redeeming her paper, she would have been compelled to oppress her debtors, and through them the community. We have shown that she might have refrained from exacting from them more than she has done and yet have redeemed her returning circulation, without parting with more than half her specie; for we do not suppose that the foreign debt of Indiana was more in proportion than Ohio. But admitting that it would have been necessary in maintaining specie payments, to reduce the discount, what would have been the effect? If that reduction had amounted amongst her debtors according to the amount of their respective loans, the debtors themselves would have been required to pay up, within two months, about \$450 each on an average—the other stockholders about \$300 each; and the remaining debtors, to the bank, about four thousand three hundred in number, only about sixty-five dollars each. It must be clear that the directors were far more anxious about themselves than the other borrowers, and that to avoid the requisition of four hundred and fifty dollars, or about one eighth of their debt to the bank, and the risk of having to pay the instalments on their liabilities as endorsers,—which is the utmost that a continuance of specie payment required, they deliberately resolved to violate the charter, and the sacred faith of the bank.

[Concluded next week.]

John Randolph and Wm. H. Harrison.

That favorite son of Virginia, the eloquent and patriotic John Randolph, was one of the patriarchs of the democratic family. He seldom made a mistake in uttering an opinion of men or measures. He foresaw and predicted all the evils which have flowed from the incorporation of the United States Bank; and he never declared his enmity towards an individual but for some sufficient reason, plain to his own keen and penetrating mind, although not entirely manifest to the rest of mankind. He denounced the coalition between Adams and Clay, long before it was suspected by any other of their contemporaries—his judgement in the operation of the political machinery was unerring. This wonderful man also possessed many ingredients of the highest grade of oratory—a copious fund of knowledge, a command of pure and forcible English words, warmth and sincerity of feeling—a fearless mind that never flinched at obloquies and always grew more resolute from opposition. Randolph, in the palmy vigor of his faculties, sat in the Senate of the United States, while Mr. Harrison, the present federal candidate for the presidency was a member of that body. The following is an extract from a speech delivered by Mr. Randolph in the Senate in the year 1826. The gentleman from Ohio, to whom he alludes, is the great federal military and civil genius, who, according to the notions of the federal party, was the power that be, and for the unexpected encouragement he met with at the last Presidential election to run a second time! We call this pretty plav talk about Harrison's Abolition and Federal principles, coming as it does from whig papers.

"Now, sir, the only difference between the gentleman from Ohio and myself is this,—and it is vital; that gentleman and myself differ fundamentally and totally, but did differ when we first took our seats in Congress—he as a delegate from the Territory Northwest of the river Ohio, I as a member of the other House from the state of Virginia: he was an open, zealous, frank supporter of the Sedition Law and Black-cockade Administration; and I was as zealous, frank and open an opponent of the Black-cockade and Sedition Law Administration. We differ fundamentally and totally—we never can agree about measures or about men—I do not mean to dictate to the gentleman—let us agree that gentlemen ought to do, especially natives of the same state, who are antipodes to each other in politics. He, I acknowledge, just now the zenith, and I the nadir; but unless there is something false in the philosophy of the schools, in the course of time even these will change their places."

Randolph spoke from what he knew, and he spoke in the face of Mr. Harrison, when he charged him with being an open, zealous, frank supporter of the black-cockade administration of old John Adams—that administration memorable in the annals of this country, as the only one that ever created laws to abridge the freedom of speech and of the press—and laws by which the president was authorized to order an alien to leave the United States under the penalty of imprisonment. Old John Adams was the only chief magistrate of this country that was ever permitted to carry into practice the federal doctrines to their full length—and he did it with a vengeance. Among his personal allies and the retainers of his administration, no one will be surprised to find that Mr. William Henry Harrison was enrolled—and it is quite natural that the present disciples of the federal school should strive to reward the ancient loyalty and well tried faith of the old gentleman by raising him to an eminence where he may have an opportunity of bringing black cockades and alien and sedition laws again into fashion.—*New Orleans Times.*

NEW COUNTERFEIT.—We would caution the public against a new emission of spurious notes of the denomination of five dollars, purporting to be on the State Bank of Indiana.

Those that we have seen are made payable at the Vincennes Branch, to G. W. Rathbone or bearer—signed S. Merrill, President, John Ross, C. Shuler—filling and signatures very badly done—vignette and end device better executed, but entirely unlike those in the genuine bills, there being no attempt at imitation.

Judges will have no difficulty in detecting those bills at a glance; and those who are not, can tell them by observing that the vignette represents a man standing under a tree with cattle, hogs, &c. in the foreground and in the distance, a view of a rail road and locomotive—the left and ornament is a female seated, holding a scroll in her right hand. They may also be told by noticing the name of the engravers at the bottom. The spurious purport to be engraved by "W. Dane & Co"—the genuine are engraved by "Rawdon Wright Hatch & Co., New York."

Since the above was in type, we have been informed the notes offered here are dated January 1, 1839—and that none were ever issued by the bank of that date.—*Vincennes Sun.*

NOTICE.

THE subscriber has for sale on his farm, about half a mile below Vevay, a quantity of Grape Vines and Cuttings, of the

Catawba, Isabella & Cape kinds, warranted genuine. Also, a few bushels of the noted

Baden Corn.

PHILIP BETTENS.

Feb. 29, 1840. 13c.

Foreign Attachment.

In the Switzerland Circuit Court, State of Indiana, April term, A. D. 1840.

Francis B. Knowlton

Demand, \$272 31.

Thomas Hammill,

Whereas, Francis B. Knowlton lately, to wit, on the 2d day of March, A. D. 1840, sued out of the office of the clerk of the Switzerland Circuit Court of said county and State aforesaid, a writ of Foreign attachment for the above demand, against the goods, chattels, lands and tenements, rights, credits, monies, and effects of the said Francis B. Knowlton, in said county, which writ was afterwards, to wit, on the 3d day of March, A. D. 1840, returned by the Sheriff of said county to said clerk's office, endorsed, served by attorney, including the following real estate, to wit, lot No. 78 in the original plat of the town of Vevay—and the south half of the south west quarter of section 15, town 3, range 3; the north west quarter of the north west quarter of section 21, town 3, range 3; the north west quarter of the north west quarter of section 22, town 3, range 3 west; and also the south west quarter of the south west quarter of section 9, town 3; range 3 west—the whole appraised at \$325 00. The said Thomas Hammill is, therefore, hereby notified to be and appear before the Hon. Judge of our Switzerland Circuit Court of said county, on the second day of the next April term of said court, to be held at the court house, in the town of Vevay, in said county, on the second Monday of April next, then and there to plead or answer to the suit aforesaid, or judgment will be rendered thereon in his absence.

EDWARD PATTON, Clerk.

March 4th, 1840. 14c.

Mulberry Trees for Sale.

THE subscriber has under cultivation ten thousand Morus Mulcaulis trees which he will sell at reasonable prices. All orders from distance will be promptly attended to, Patriot, Switzerland county, Indiana.

INGERSOLL DIBBLE.

September 7, 1839. 44—6m

UNION HALL.

THE undersigned respectfully inform the travelling public, that he has taken this well known tavern stand, situated on the corner of Main and Ferry streets, in the town of Vevay, and formerly occupied by John M. King, Esq. His table and bar will be found well furnished with the best the country can afford, and his supplies plentifully stored with provender, and attended by careful ostlers. By strict attention to the convenience and comfort of travellers, he hopes to give general satisfaction, and receive a share of public patronage.

JOHN S. ROBERTS.

Feb. 29, 1840. 13c.

In the Probate Court of Switzerland county, State of Indiana.

FEBRUARY TERM, 1840.

Estate of William C. Keith, dec'd. } Notice of Margaret Keith, Administratrix. } Insolvency.

NO comes the said Administratrix, by her attorney, and filed her complaint in this Court, stating the condition of said estate, both real and personal, and the amount of debt outstanding against said estate; so far as the same have come to her knowledge; and that the said estate, both real and personal, are insufficient to pay the same—and praying generally for relief.

It is therefore ordered by said Court, that the creditors of said estate be notified of the failing and filing and pendency of said complaint, by a publication for six weeks successively in the Vevay Times and Switzerland County Democrat, a weekly newspaper printed and published in said county; and further, that unless such creditors file a claim against the estate, within four weeks from the date of the publication, the same may be distributed among them in proportion to the debts of the estate.

And the Geo. Florence Mirror, another Whig paper, holds the following language:

"Gen. Harrison is distinguished then on account of his bravery and military skill at the Thames and other battle fields, when he was fighting for the honor of the American flag, and in defense of American liberty! He is distinguished for his ar