

The committee is aware that a powerful prejudice very generally prevails against our banking institutions. This has generally grown out of the gross abuses of chartered privileges to particular persons, (See appendix, note A,) which may be conceived to be in opposition to the general interest, or rather an unjust cession of the public prerogative. The principle is, certainly, a sovereign right of infinite value, and is susceptible of the most beneficial improvement, as well in point of immediate revenue, as with regard to the convenience of the people, and the *creative influence* of a constantly *increasing circulation, commensurate to the essential "interchanges of society,"* in the successive enhancement of every description of property. And it might be averred that the public mind is very deeply concerned in the developments of this vast improvement, which is believed to be *daily gaining upon the public favour*. The rapid and astonishing accretion of wealth and power, which succeeded to a rival nation, from the suspension of specie payments, and the substitution of money founded upon property, has imparted knowledge which may subserve our welfare in days to come. We are not at present prepared to abandon the metallic basis, but we might avail ourselves of the wise experience of the southern states, and create a bank upon the principles of convertibility or specie equivalents. The just assumption of the sovereign right, to improve advantages within its compass would testify to the good intelligence and patriotism of the Legislature. The resulting supply of revenue, the accommodation of individuals, and the free diffusion of substantial money would well assure the common applause and approbation. From the improvement of this sovereign right in Tennessee, in Louisiana, in Alabama, in Georgia, and other states, and, more particularly in South Carolina, these good effects have been realized. A States' Bank is, in truth, the very reverse of the present *system of favouritism*, and entirely free from those objections which have generated a strong repugnance to *special monopolies for private benefit*. The distinction is as obvious as the prosperity of the state is adverse to the creation of a monied aristocracy.

The Committee would again advert to the fact that the amount of specie in the several banks of this state, from their own statements, is considerably less than the productive capital of invested money in the treasury, (b) which is convertible into specie, and as the loans and discounts of those banks are mainly sustained upon private credit, per-