Bank of the United States

United States. Congress. House. Committee on ...

BANK OF THE UNITED STATES.

April 13, 1830.

Read, and laid upon the table.

Mr. McDuffie, from the Committee of Ways and Means, to which the subject had been referred, made the following

REPORT:

The Committee of Ways and Means, to whom was referred so much of the Message of the President as relates to the Bank of the United States, beg leave to report:

That they have bestowed upon the subject all the attention demanded by its intrinsic importance, and now respectfully submit the result of their deliberations to the consideration of the House. There are few subjects, having reference to the policy of an established government, so vitally connected with the health of the body politic, or in which the pecuniary interests of society are so extensively and deeply involved. No one of the attributes of sovereignty carries with it a more solemn responsibility, or calls in requisition a higher degree of wisdom, than the power of regulating the common currency, and thus fixing the general standard of value for a great commercial community, composed of confederated States.

Such being, in the opinion of the committee, the high and delicate trust exclusively committed to Congress by the Federal Constitution, they have proceeded to discharge the duty assigned to them with a corresponding sense of its magnitude and difficulty.

The most simple and obvious analysis of the subject, as it is presented by the message of the President, exhibits the following questions for the decision of the National Legislature:

1. Has Congress the constitutional power to incorporate a bank, such as that of the United States?
2. Is it expedient to establish and maintain such an institution?
3. Is it expedient to establish "a National Bank, founded upon the credit of the Government and its revenues?"

I. If the concurrence of all the departments of the Goverement, at different periods of our history, under every administration, and during the ascendency of both the great political parties, into which the country was divided, soon after the adoption of the present Constitution, shall be regarded as having the authority ascribed to such sanctions by the common consent of all well regulated communities, the constitutional power of Congress to incorporate a bank, may be assumed as a postulate no longer open to controversy. In little more than two years after the Government went into operation, and at a period when most of the distinguished members of the Federal Convention were either in the Executive or Legislative councils, the act, incorporating the first bank of the United States, passed both branches of Congress by large majorities, and received the deliberate sanction of President Washington, who had then recently presided over the deliberations of the Convention. The constitutional power of Congress to pass the act of incorporation, was thoroughly investigated, both in the Executive Cabinet and in Congress, under circumstances, in all respects, propitious to a dispassionate decision. There was, at that time, no organization of political parties, and the question was, therefore, decided by those, who, from their knowledge and experience, were peculiarly qualified to decide correctly; and who were entirely free from the influence of that party excitement and prejudice, which would justly impair, in the estimation of posterity, the authority of a legislative interpretation of the constitutional charter. No persons can be more competent to give a just construction to the Constitution, than those who had a principal agency in framing it; and no administration can claim a more perfect exemption from all those influences which, sometimes, pervert the judgments, even of the most wise and patriotic, than that of the Father of his Country, during the first term of his service.

Such were the circumstances, under which all the branches of the National Legislature solemnly determined that the power of creating a National Bank was vested in Congress by the Constitution. The bank thus created, continued its operations for twenty years—the period for which its charter was granted—during which time, public and private credit were raised, from a prostrate, to a very elevated condition, and the finances of the nation were placed upon the most solid foundation.

When the charter expired, in 1811, Congress refused to renew it, principally owing, as the committee believe, to the then existing state of political parties. Soon after the bank was chartered, the two great parties that have since divided the country, began to assume an organized existence. Mr. Jefferson and Mr. Madison, the former in the Executive Cabinet, and the latter in Congress, had been opposed to the establishment of the bank, on constitutional grounds, and being placed at the head of the party most unfavorable to the extension of the powers of the Government, by implication, the bank question came to be regarded as, in some degree, the test of political principle.

When Mr. Jefferson came into power, upon the strong tide of a great political revolution, the odium of the Alien and Sedition laws was, in part, communicated to the Bank of the United States; and, although he gave his official sanction to an act, creating a new branch of that institution, at New Orleans, and to another to punish the counterfeiting of its bills, yet, when the question of renewing the charter came before Congress, it was discussed as a party question. And, though some of the most distinguished republicans, including Mr. Gallatin, then Secretary of the Treasury, and Mr. Crawford, then a member of the Senate, were decidedly in favor of the renewal, sustaining the measure by able arguments, the votes in both branches of Congress were distinctly marked as party votes. At no time, since the commencement of the Government, has there existed a more violent party excitement, than that which marked the period under review. It was the period of the embargo, non-intercourse, and other commercial restrictions; when the undiscriminating opposition of the leaders of the federal party to the measures adopted by the administration, to vindicate our rights against British aggression, had caused the great majority of the American people to view these leaders as the apologists of a nation, already regarded in the light of a public enemy. When to these circumstances we add, that the stock of the bank was principally held by British subjects, and Americans of the unpopular party, the House will readily perceive how great were the national and party prejudices, which must have been arrayed against the proposition to renew its charter. It was stated by Mr. Clay, in a speech delivered in the Senate, that seven-tenths of the stock belonged to British subjects, and that certain English noblemen, and a late Lord Chancellor, were among the very largest of the stockholders. With all these difficulties to encounter, the proposition for renewing the charter was lost only by the casting vote of the President of the Senate, and by a majority of a single vote in the House of Representatives.

In less than three years after the expiration of the charter—the war with Great Britain having taken place in the mean time—the circulating medium became so disordered, the public finances so deranged, and the public credit so impaired, that the enlightened patriot, Mr. Dallas, who then presided over the Treasury Department, with the sanction of Mr. Madison, and, as it is believed, every member of the cabinet, recommended to Congress the establishment of a National Bank, as the only measure by which the public credit could be revived, and the fiscal resources of the Government redeemed from a ruinous, and otherwise incurable embarrassment: and, such had been the impressive lesson taught by a very brief, but fatal experience, that the very institution, which had been so recently denounced, and rejected by the republican party, being now recommended by a republican administration, was carried through both branches of Congress, as a republican measure, by an overwhelming majority of the republican party. It is true that Mr. Madison did not approve and sign the bill which passed the two Houses, because it was not such a bill as had been recommended by the Secretary of the Treasury, and because the bank it proposed to create, was not calculated, in the opinion of the President, to relieve the necessities of the country. But he premised his objections to the measure, by "waiving the question of the constitutional authority of the Legislature to establish an incorporated bank, as being precluded, in his opinion, by repeated recognitions, under varied circumstances, of the validity of such an institution in acts of the Legislative, Executive, and Judicial branches of the Government, accompanied by indications, in different modes, of a concurrence of the general will of the nation." Another bill was immediately introduced, and would, in all probability, have become a law, had not the news of peace, by doing away the pressure of the emergency, induced Congress to suspend further proceedings on the subject, until the ensuing session. At the commencement of that session, Mr. Madison invited the attention of Congress to the subject, and Mr. Dallas again urged the necessity of establishing a bank, to restore the currency, and facilitate the collection and disbursement of the public revenue; and so deep and solemn was the conviction upon the minds of the public functionaries, that such an institution was the only practicable means of restoring the circulating medium to a state of soundness, that, notwithstanding the decided opposition of all the State banks and their debtors, and, indeed, the whole debtor class of the community, the act, incorporating the present Bank of the United States, was passed by considerable majorities in both branches of Congress, and approved by Mr. Madison.

This brief history of the former and present bank, forcibly suggests a few practical reflections. It is to be remarked, in the first place, that, since the adoption of the Constitution, a bank has existed under the authority of the

Federal Government, for thirty-three out of forty years; during which time, public and private credit have been maintained at an elevation fully equal to what has existed in any nation in the world: whereas, in the two short intervals, during which no national bank existed, public and private credit were greatly impaired, and, in the latter instance, the fiscal operations of the Government were almost entirely arrested. In the second place, it is worthy of special notice, that, in both the instances in which Congress has created a bank, it has been done under circumstances calculated to give the highest authority to the decision. The first instance, as has been already remarked, was in the primitive days of the republic, when the patriots of the Revolution, and the sages of the Federal Convention, were the leading members both of the Executive and Legislative councils; and when General Washington, who, at the head of her armies, had conducted his country to independence, and, as the head of the Convention, had presided over those deliberations which resulted in the establishment of the present Constitution, was the acknowledged President of a people, undistracted by party divisions. The second instance was under circumstances of a very different but equally decisive character. We find the very party which had so recently defeated the proposition to renew the charter of the old bank, severely schooled both by adversity and experience, magnanimously sacrificing the pride of consistency, and the prejudices of party, at the shrine of patriotism. It may be said without disparagement, that an assembly of higher talent and purer patriotism has never existed since the days of the Revolution, than the Congress by which the present bank was incorporated. If ever a political party existed, of which it might be truly said, that "all the ends they aimed at were their country's," it was the republican party of that day. They had just conducted the country through the perils of a war, waged in defence of her rights and honor, and, elevating their views far above the narrow and miserable ends of party strife, sought only to advance the permanent happiness of the people. It was to this great end, that they established the present bank.

In this review, it will be no less instructive than curious, to notice some of the changes made in the opinions of prominent men, yielding to the authority of experience. Mr. Madison, who was the leading opponent of the bank created in 1791, recommended and sanctioned the bank created in 1816; and Mr. Clay, who strenuously opposed the renewal of the charter in 1811, as strenuously supported the proposition to grant the charter in 1816.

That may be said of the bank charter, which can be said of few contested questions of constitutional power. Both the great political parties that have so long divided the country, have solemnly pronounced it to be constitutional, and there are but very few of the prominent men of either party, who do not stand committed in its favor. When, to this imposing array of authorities, the committee add the solemn and unanimous decision of the Supreme Court, in a case which fully and distinctly submitted the constitutional question to their cognizance, may they not ask, in the language of Mr. Dallas, "can it be deemed a violation of the right of private opinion to consider the constitutionality of a national bank as a question forever settled and at rest?"

And here the committee beg to be distinctly understood, as utterly disclaiming the idea of ascribing to the decision of any or of all the departments of the Government, upon a great constitutional question, the binding authority which belongs to judicial precedents, in cases of mere private right, depending upon the construction of the ordinary acts of the Legislature. No length of prescription, or concurrence of authority, can consecrate the usurpation of powers subversive of public liberty, and destructive of public happiness. But, where the power exercised is clearly conducive to the public welfare, and its constitutionality is merely doubtful, it would seem to be one of the most obvious dictates of practical wisdom, to regard the decision of those who had the best means of ascertaining the intention of the Constitution, and who were actuated by the most undoubted purity and disinterestedness of motive, as of sufficient authority at least to overrule theoretical objections and silence individual scruples.

The committee will now submit a few remarks, with the design of shewing, that, viewing the constitutionality of the bank as an original question, the arguments in its favor are at least as strong as those against it.

The earliest, and the principal objection urged against the constitutionality of a national bank, was, that Congress had not the power to create corporations. That Congress has a distinct and substantive power to create corporations, without reference to the objects entrusted to its jurisdiction, is a proposition which never has been maintained, within the knowledge of the committee; but, that any one of the powers expressly conferred upon Congress, is subject to the limitation, that it shall not be carried into effect by the agency of a corporation, is a proposition which cannot be maintained, in the opinion of the committee.

If Congress, under the authority to pass *all laws*, necessary and proper for carrying into effect the powers vested in all or any of the departments of the Government, may rightfully pass a law inflicting the punishment of death, *without any other authority*, it is difficult to conceive why it may not pass a law, under the same authority, for the more humble purpose of creating a corporation. The power of creating a corporation, is one of the lowest attributes, or, more properly speaking, incidents, of sovereign power. The chartering of a bank, for example, does not authorize the corporation to do any thing, which the individuals composing it might not do without the charter. It is the right of every individual of the Union to give credit to whom he chooses, and to obtain credit where he can get it. It is not the policy of any commercial country to restrict the free circulation of credit, whether in the form of promissory notes, bills of exchange, or bank notes. The charter of the Bank of the United States, therefore, merely enables the corporation to do, in an artificial capacity, and with more convenience, what it would be lawful for the individual corporators to do without incorporation. Mr. Girard established a bank in Philadelphia without a charter, which was in very high credit within the sphere of its circulation; and it cannot be doubted, that he might have formed a banking co-partnership with the principal capitalists in the other commercial cities of the Union, of which the bills would have had a general credit in every part of the country, particularly if the Federal Government had provided that these bills should be received in discharge of its dues. The only material particular in which the charter of the Bank of the United States confers a privilege upon the corporation, apparently inconsistent with the State laws, is, the exemption of the individual property of the corporators from responsibility for the debts of the corporation. But, if the community deal with the bank, knowing that the capital subscribed is alone liable for its debts, no one can complain either of imposition or injury; and, in point of fact, no one ever has complained on that score, or ever will. The real complaint against the bank, is not that it has not a sufficient basis for its credit, but that its credit is too extensive. The objection lies, therefore, not against the artificial character communicated to the stockholders by the charter, but against the pecuniary operations of the bank itself. Now, these operations consist in the use of its own capital—a faculty not surely derived from the Government, but, in the exercise of which, the Government imposes many useful restrictions for the benefit of itself and of the community.

The committee have presented this brief analysis of a bank corporation, with the view of showing that there is nothing in the nature of the thing, which renders it unfit to be an instrument in the hands of a government, admitted to be sovereign in its appropriate sphere, for carrying into effect powers expressly delegated.

It now remains for the committee to show that the Bank of the United States is a "necessary and proper," or, in other words, a natural and appropriate means, of executing the powers vested in the Federal Government. In the discussion of 1791, and also in that before the Supreme Court, the powers of raising, collecting, and disbursing the public revenue, of borrowing money on the credit of the United States, and paying the public debt, were those which were supposed most clearly to carry with them the incidental right of incorporating a bank, to facilitate these operations. There can be no doubt, that these fiscal operations are greatly facilitated by a bank, and it is confidently believed, that no person has presided twelve months over the Treasury, from its first organization to the present time, without coming to the conclusion, that such an institution is exceedingly useful to the public finances in time of peace, but indispensable in time of war. But as this view of the question has been fully unfolded in former discussions, familiar to the House, the committee will proceed to examine the relation which the Bank of the United States bears to another of the powers of the Federal Government, but slightly adverted to in former discussions of the subject.

The power to "coin money and fix the value thereof," is expressly and exclusively vested in Congress. This grant was evidently intended to invest Congress with the power of regulating the circulating medium. "Coin" was regarded, at the period of framing the Constitution, as synonymous with "currency," as it was then generally believed that bank notes could only be maintained in circulation by being the true representative of the precious metals. The word "coin," therefore, must be regarded as a particular term, standing as the representative of a general idea. No principle of sound construction will justify a rigid adherence to the letter, in opposition to the plain intention of the clause. If, for example, the gold bars of Ricardo should be substituted for our present coins, by the general consent of the commercial world, could it be maintained that Congress would not have the power to *make* such money, and fix its value, because it is not "coined?" This would be sacrificing sense to sound, and substance to mere form. This clause of the Constitution is analogous to that which gives Congress the power "to establish post roads." Giving to the word "establish" its restricted interpretation, as being equivalent to "fix," or "prescribe," can it be doubted that Congress has the power to establish a canal, or a river, as a post route, as well as a road? Roads were the ordinary channels of conveyance, and the term was, therefore, used as synonymous with "routes," whatever might be the channel of transportation, and, in like manner, "coin," being the ordinary and most known form of a circulating medium, that term was used as synonymous with currency.

An argument in favor of the view just taken, may be fairly deduced from the fact, that the States are expressly prohibited from "coining money, or emitting bills of credit," and from "making any thing but gold and silver a lawful tender in payment of debts." This strongly confirms the idea, that the subject of regulating the circulating medium, whether consisting of coin or paper, was, at the same time that it was taken from the control of the States, vested in the only depository in which it could be placed, consistently with the obvious design of having a common measure of value throughout the Union.

But, even if it should be conceded, that the grant of power to "coin money and fix the value thereof" does not, in its terms, give Congress the power of regulating any other than the "coined" currency of the Union, may not the power of regulating any substituted currency, and especially one which is the professed representative of coin, be fairly claimed as an incidental power—as an essential means of carrying into effect the plain intention of the Constitution, in clothing Congress with the principal power? This power was granted in the same clause with that to regulate weights and measures, and for similar reasons. The one was designed to ensure a uniform measure of value, as the other was designed to ensure a uniform measure of quantity. The former is decidedly the more important, and belongs essentially to the General Government, according to every just conception of our system. A currency of uniform value is essential to what every one will admit to be of cardinal importance: the equal action of our revenue system, upon the different parts of the Union. The state of things which existed when the Bank was incorporated, furnished a most pregnant commentary on this clause of the Constitution. The currency of the country consisted of the paper of local banks, variously depreciated. At one of the principal sea-ports the local currency was 20 per cent. below par. Now it was in vain for Congress to regulate the value of coin, when the actual currency, professing to be its equivalent, bore no fixed relation to it. This great and essential power of fixing the standard of value, was, in point of fact, taken from Congress, and exercised by some hundreds of irresponsible banking corporations, with the strongest human motives to abuse it, because their enormous profits resulted from the abuse. The power of laying and collecting imposts and excises, is expressly subject to the condition that they "shall be uniform throughout the United States;" and it is also provided, that "no preference shall be given, by any regulation of commerce, or *revenue*, to the ports of one State over those of another." Now, when it is known that the circulating medium of Baltimore was 20 per cent. below the value of the circulating medium of Boston, is it not apparent that an impost duty, though nominally uniform, would, in effect, make a discrimination in favor of Baltimore, proportioned to the depreciation of the local currency? Congress, therefore, not only had the power, but, as it seems to the committee, were under the most solemn constitutional obligations to restore the disorded currency; and the Bank of the United States was not only an appropriate means for the accomplishment of that end, but, in the opinion of the committee, the only safe and effectual means that could have been used. This view of the subject is in full accordance with the opinion of Mr. Madison, as expressed in his message of December, 1816. "But, says he, for the interest of the community at large, as well as for the purposes of the Treasury, it is essential that the nation should possess a currency of equal value, credit, and use, wherever it may circulate. The Constitution has entrusted Congress, exclusively, with the power of creating and regulating a currency of that description, and the measures which were taken, during the last Session, in execution of the power, give every promise of success. The Bank of the United States, under auspices the most favorable, cannot fail to be an important auxiliary."

Such are the authorities and such the arguments which have brought the committee to the conclusion, that the power to incorporate a bank is incidental to the powers of collecting and disbursing the public revenue; of borrowing money on the credit of the United States; of paying the public debt; and, above all, of fixing and regulating the standard of value, and thereby ensuring, at least so far as the medium of payment is concerned, the uniformity and equality of taxation.

II. The next question proposed for consideration, is the expediency of establishing an incorporated bank, with a view to promote the great ends already indicated. In discussing the constitutionality of such a measure, some of the considerations which render it expedient, have been slightly unfolded. But these require a more full and complete development, while others remain to be presented.

It must be assumed as the basis of all sound reasoning on this subject, that the existence of a paper currency, issued by banks deriving their charters from the State Governments, cannot be prohibited by Congress. Indeed, bank credit and bank paper are so extensively interwoven with the commercial operations of society, that, even if Congress had the constitutional power, it would be utterly impossible to produce so entire a change in the monetary system of the country, as to abolish the agency of banks of discount, without involving the community in all the distressing embarrassments usually attendant on great political revolutions, subverting the titles to private property. The sudden withdrawal of some hundred millions of bank credit, would be equivalent, in its effects, to the arbitrary and despotic transfer of the property of one portion of the community to another, to the extent, probably, of half that amount. Whatever, therefore, may be the advantages of a purely metallic currency, and whatever the objections to a circulating medium partly composed of bank paper, the committee consider that they are precluded, by the existing state of things, from instituting a comparison between them, with a view to any practical result.

If they were not thus precluded, and it were submitted to them as an original question, whether the acknowledged and manifold facilities of bank credit and bank paper, are not more than counterbalanced by the distressing vicissitudes in trade incident to their use, they are by no means prepared to say, that they would not give a decided preference to the more costly and cumbersome medium.

But the question really presented for their determination, is not between a metallic and a paper currency, but between a paper currency of uniform value, and subject to the control of the only power competent to its regulation, and a paper currency of varying and fluctuating value, and subject to no common or adequate control whatever. On this question it would seem that there could scarcely exist a difference of opinion; and that this is substantially the question involved in considering the expediency of a national bank, will satisfactorily appear by a comparison of the state of the currency previous to the establishment of the present bank, and its condition for the last ten years.

Soon after the expiration of the charter of the first Bank of the United States, an immense number of local banks sprung up under the pecuniary exigencies produced by the withdrawal of so large an amount of bank credit, as necessarily resulted from the winding up of its concerns—an amount falling very little short of fifteen millions of dollars. These banks being entirely free from the salutary control which the Bank of the United States had recently exercised over the local institutions, commenced that system of imprudent trading and excessive issues, which speedily involved the country in all the embarrassments of a disordered currency. The extraordinary stimulus of a heavy war expenditure, derived principally from loans, and a corresponding multiplication of local banks, chartered by the double score in some of the States, hastened the catastrophe which must have occurred, at no distant period, without these extraordinary causes. The last year of the war presented the singular and melancholy spectacle of a nation abounding in resources, a people abounding in self-devoting patriotism, and a Government reduced to the very brink of avowed bankruptcy, solely for the want of a national institution, which, at the same time that it would have facilitated the Government loans and other Treasury operations, would have furnished a circulating medium of general credit in every part of the Union. In this view of the subject, the committee are fully sustained by the opinion of Mr. Dallas, then Secretary of the Treasury, and by the concurring and almost unanimous opinion of all parties in Congress: for, whatever diversity of opinion prevailed, as to the proper basis and organization of a bank, almost every one agreed that a national bank, of some sort, was indispensably necessary to rescue the country from the greatest of financial calamities.

The committee will now present a brief exposition of the state of currency at the close of the war, of the injury which resulted from it, as well to the Government as to the community, and their reasons for believing that it could not have been restored to a sound condition, and cannot now be preserved in that condition, without the agency of such an institution as the Bank of the United States.

The price current appended to this report will exhibit a scale of depreciation in the local currency, ranging through various degrees to twenty, and even to twenty-five per cent. Among the principal Eastern cities, Washington and Baltimore were the points at which the depreciation was greatest. The paper of the banks in these places, was from 20 to 22 per cent. below par. At Philadelphia the depreciation was considerably less, though even there it was from 17 to 18 per cent. In New York and Charleston, it was from 7 to 10 per cent. But in the interior of the country, where banks were established, the depreciation was even greater than at Washington and Baltimore. In the Western part of Pennsylvania, and particularly at Pittsburg, it was 25 per cent. These statements, however, of the relative depreciation of bank paper at various places, as compared with specie, give a very inadequate idea of the enormous evils inflicted upon the community, by the excessive issues of bank paper. No proposition is better established than that the value of money, whether it consists of specie or paper, is depreciated in exact proportion to the increase of its quantity, in any given state of the demand for it. If, for example, the banks, in 1816, doubled the quantity of the circulating medium by their excessive issues, they produced a general degradation of the entire mass of the currency, including gold and silver, proportioned to the redundancy of the issues, and wholly independent of the relative depreciation of bank paper at different places, as compared with specie. The nominal money price of every article was of course one hundred per cent. higher than it would have been, but for the duplication of the quantity of the circulating medium. Money is nothing more nor less than the measure by which the relative value of all articles of merchandise is ascertained. If, when the circulating medium is fifty millions, an article should cost one dollar, it would certainly cost two, if, without any increase of the uses of a circulating medium, its quantity should be increased to one hundred millions. This rise in the price of commodities, or depreciation in the value of money, as compared with them, would not be owing to the want of credit in the bank bills, of which the currency happened to be composed. It would exist, though these bills were of undoubted credit, and convertible into specie at the pleasure of the holder, and would result simply from the redundancy of their quantity. It is important to a just understanding of the subject, that the relative depreciation of bank paper at different places, as compared with specie, should not be confounded with this general depreciation of the entire mass of the circulating medium, including specie. Though closely allied, both in their causes and effects, they deserve to be separately considered.

The evils resulting from the relative depreciation of bank paper at different places, are more easily traced to their causes, more palpable in their nature, and consequently more generally understood by the community. Though much less ruinous than the evils resulting from the general depreciation of the whole currency, they are yet of sufficient magnitude to demand a full exposition.

A very serious evil, already hinted at, which grew out of the relative depreciation of bank paper, at the different points of importation, was its inevitable tendency to draw all the importations of foreign merchandise to the cities where the depreciation was greatest, and divert them from those where the currency was comparatively sound. If the Bank of the United States had not been established, and the Government had been left without any alternative but to receive the depreciated local currency, it is difficult to imagine the extent to which the evasion of the revenue laws would have been carried. Every State would have had an interest to encourage the excessive issues of its banks, and increase the degradation of its currency, with a view to attract foreign commerce. Even in the condition which the currency had reached in 1816, Boston, and New York, and Charleston, would have found it advantageous to derive their supplies of foreign merchandise through Baltimore; and commerce would undoubtedly have taken that direction had not the currency been corrected. To avoid this injurious diversion of foreign imports, Massachusetts, and New York, and South Carolina, would have been driven, by all motives of self defence and self interest, to degrade their respective currencies at least to a par with the currency of Baltimore; and thus a rivalry in the career of depreciation would have sprung up, to which no limit can be assigned. As the tendency of this state of things would have been to cause the largest portion of the revenue to be collected at a few places, and in the most depreciated of the local currency, it would have followed that a very small part of that revenue would have been disbursed at the points where it was collected. The Government would consequently have been compelled to sustain a heavy loss upon the transfer of its funds to the points of expenditure. The annual loss which would have resulted from these causes alone, cannot be estimated at a less sum than two millions of dollars.

But the principal loss which resulted from the relative depreciation of bank paper at different places, and its want of general credit, was that sustained by the community in the great operations of commercial exchange, The extent of these operations annually, may be safely estimated at sixty millions of dollars. Upon this sum the loss sustained by the merchants, and planters, and farmers, and manufacturers, was not probably less than an average of ten per cent. being the excess of the rate of exchange beyond its natural rate in a sound state of the currency, and beyond the rate to which it has been actually reduced by the operations of the Bank of the United States. It will be thus perceived, that an annual tax of six millions of dollars was levied from the industrious and productive classes, by the large moneyed capitalists in our commercial cities, who were engaged in the business of brokerage. A variously depreciated currency, and a fluctuating state of the exchanges, open a wide and abundant harvest to the money brokers; and it is not, therefore, surprising, that they should be opposed to an institution, which, at the same time that it has relieved the community from the enormous tax just stated, has deprived them of the enormous profits which they derived from speculating in the business of exchange. In addition to the losses sustained by the community, in the great operations of exchange, extensive losses were suffered throughout the interior of the country, in all the smaller operations of trade, as well, as by the failure of the numerous paper banks, puffed into a factitious credit by fraudulent artifices, and having no substantial basis of capital to ensure the redemption of their bills.

But no adequate conception can be formed of the evils of a depreciated currency, without looking beyond the relative depreciation, at different places, to the general depreciation of the entire mass. It appears from the report of Mr. Crawford, the Secretary of the Treasury in 1820, hat during the general suspension of specie payments, by the local banks, in the years 1815 and 1816, the circulating medium of the United States had reached the aggregate amount of one hundred and ten millions of dollars, and that, in the year 1819, it had been reduced to forty-five millions of dollars, being a reduction of fifty-nine per cent. in the short period of four years. The committee are inclined to the opinion, that the severe and distressing operation of restoring a vicious currency to a sound state, by the calling in of bank paper, and the curtailment of bank discounts, had carried the reduction of the currency, in 1819, to a point somewhat lower than was consistent with the just requirements of the community for a circulating medium, and that the bank discounts have been gradually enlarged since that time, so as to satisfy those requirements. It will be assumed, therefore, that the circulating medium of the United States has been fifty-five millions of dollars for the last ten years, taking the average.

Even upon this assumption it will follow, that the national currency has been one hundred per cent. more valuable for the last ten years, than it was in 1816. In other words, two dollars would purchase no more of any commodity in 1816, than one dollar has been capable of purchasing at any time since 1819. It is obvious, therefore, that the depreciation of the paper of particular banks, at any particular time, as compared with specie, furnishes no criterion by which to ascertain the general depreciation of the whole currency, including specie, as compared with the value of that currency at a different period. A specie dollar in 1816, would purchase no more than half as much as a paper dollar will purchase at present.

Having endeavored to explain, thus briefly, the general depreciation resulting from a redundant currency, the committee will now proceed to point out some of the injurious consequences which have resulted from those great changes in the standard of value, which have been unavoidably produced by the correction of the redundancy.

An individual who borrowed a sum of money in 1816, and paid it in 1820, evidently returned to the lender double the value received from him; and one who paid a debt in 1820, which he had contracted in 1816, as evidently paid double the value he had stipulated to pay, though nominally the same amount in money. It is in this way that fluctuations in the quantity and value of the currency interfere, in the most unjust and injurious manner, between debtor and creditor.

And when banks have the power of suspending specie payments, and of arbitrarily contracting and expanding their issues, without any general control, they exercise a more dangerous and despotic power over the property of the community, than was ever exercised by the most absolute government. In such a state of things, every man in the community holds his property at the mercy of money making corporations, which have a decided interest to abuse their power.

By a course of liberal discounts and excessive issues for a few years, followed by a sudden calling in of their debts and contraction of their issues, they would have the power of transferring the property of their debtors to themselves, almost without limit. Debts contracted when their discounts were liberal, and the currency of course depreciated, would be collected when their discounts were almost suspended, and the currency of course unnaturally appreciated; and in this way the property of the community might pass under the hammer, from its rightful owners to the banks, for less than one half its intrinsic value.. If the committee have not greatly mistaken the matter, there is more of history than of speculation in what they have here presented to the consideration of the House.

It is impossible to form any thing like an accurate estimate of the injuries and losses sustained by the community, in various ways, by the disorders and fluctuations of the currency, in the period which intervened between the expiration of the old bank charter, and the establishment of the present bank. But some tolerable notion may be formed of the losses sustained by the Government, in its fiscal operations, during the war.

The committee have given this part of the subject an attentive and careful examination, and they cannot estimate the pecuniary losses of the Government, sustained exclusively for the want of a sound currency, and an efficient system of finance, at a sum less than forty-six millions of dollars. If they shall make this apparent, the House will have something like a standard for estimating the individual losses of the community.

The Government borrowed, during the short period of the war, eighty millions of dollars, at an average discount of fifteen per cent., giving certificates of stock, amounting to eighty millions of dollars, in exchange for sixty-eight millions of dollars, in such bank paper as could be obtained. In this statement, Treasury notes are considered as stock, at twenty per cent. discount. Upon the very face of the transaction, therefore, there was a loss of twelve millions of dollars, which would, in all probability, have been saved, if the Treasury had been aided by such an institution as the Bank of the United States. But the sum of sixty-eight millions of dollars, received by the Government, was in a depreciated currency, not more than half as valuable as that in which the stock given in exchange for it, has been and will be redeemed. Here, then, is another loss of thirty-four millions, resulting, incontestibly and exclusively, from the depreciation of the currency, and making, with the sum lost by the discount, forty-six millions of dollars. While, then, the Government sustained this great pecuniary loss in less than three years of war, amounting annually to more than the current expenses of the Government in time of peace, it is worth while to inquire, who were the persons who profited to this enormous amount by the derangement of the currency? It will be found that the whole benefit of this speculation upon the necessities of the Government was realized by stockjobbers and money brokers, the very same class of persons who profited so largely by the business of commercial exchanges, in consequence of the disorders of the currency, and who have the same interest in the recurrence of those disorders as lawyers have in litigation, or physicians in the diseases of the human frame. Having presented these general views of the evils which existed previous to the establishment of the Bank of the United States, it remains for the committee to inquire how far this institution has effected a remedy of those evils.

The first great question which arises under this branch of the inquiry is, whether or no the bank has corrected the disorders of the circulating medium, by providing a paper currency, convertible into specie at the pleasure of the holder, and of equal value with specie at all points of the Union?

The Chief Magistrate, in that part of his first message which relates to the Bank of the United States, expresses the opinion, that "it has failed in the great end of establishing a uniform and sound currency." After giving to this opinion all the consideration to which it is so justly entitled, from the eminent station and high character of the citizen by whom it is entertained, the committee are constrained to express their respectful but decided dissent from it. It is true, that the bank does not, in all cases, redeem the bills issued by any one of its branches, indiscriminately at all the other branches; and it is in reference to this fact, as the committee presume, that the President expresses the opinion that the institution has failed to establish "a uniform and sound currency."

It is confidently believed, that uo one of the persons who were principally instrumental in establishing the bank, ever entertained an idea that it would attempt to redeem its bills at any of its offices, other than those by which they should be respectively issued. The charter certainly contains no such requirement, and it would have been highly inexpedient if it had, to say nothing of its obvious injustice. The inevitable effect of such a requirement, would have been to compel the bank to perform the whole of the commercial exchanges of the country, without any compensation. It would not be more unjust to require a Rail Road Company to transport all the productions of the country without compensation. No institution could stand such an operation; and it was the injudicious attempt of the first direction of the bank to do it, that principally contributed to the embarrassments of 1819. A committee was appointed by the House of Representatives, in that year, to investigate the management of the bank; and in the report of that committee, as well as in the discussions to which it gave rise in the House, this attempt of the direction to redeem the bills of the institution, indiscriminately, at all its branches, was indicated as one of the causes of the existing embarrassment. No one who participated in the debate, pretended to allege that the bank was bound to redeem its bills indiscriminately, or that it was expedient that it should do so. The most that any one did, was to apologise for the unwise attempt.

But it yet remains for the committee to show that this indiscriminate redeemability of the bills of all the branches of the bank, is not necessary to "the establishment of a uniform and sound currency."

Human wisdom has never effected, in any other country, a nearer approach to uniformity in the currency, than that which is made by the use of the precious metals. If, therefore, it can be shown that the bills of the United States' Bank, are of equal value with silver at all points of the Union, it would seem that the proposition is clearly made out, that the bank has accomplished "the great end of establishing a uniform and sound currency." It is not denied that the bills of the mother bank, and of all its branches, are invariably and promptly redeemed in specie, whenever presented at the offices by which they have been respectively issued, and at which, upon their face, they purport to be payable. Nor is it denied that the bills of the bank, and of all the branches, are equal to specie in their respective spheres of circulation. Bills, for example, issued by the mother bank, are admitted to be equal to silver in Pennsylvania, and all those parts of the adjacent States of which Philadelphia is the market. But it is contended that these bills, not being redeemable at Charleston and New Orleans, are not of equal value with silver to the merchant who wishes to purchase cotton with them, in those cities. Now, if the Philadelphia merchant had silver, instead of bank bills, he certainly could not effect his purchases with it in Charleston or New Orleans, without having the silver conveyed to those places; and it is equally certain that he could not have it conveyed there, without paying for its transportation and insurance. These expenses constitute the natural rate of exchange between those cities, and indicate the exact sum which the merchant would give as a premium for a bill of exchange, to avoid the trouble and delay of transporting his specie. It is obvious, therefore, that, even for these distant operations of commerce, silver would be no more valuable than the bills of the bank: for these would purchase a bill of exchange on either of the cities mentioned, precisely as well as silver. If the operation should be reversed, and the planter of Louisiana or South Carolina should desire to place his funds in Philadelphia with a view to purchase merchandise, he would find the bills of the branch bank in either of those States, entirely equivalent to silver in effecting his object. Even, therefore, if the bank had not reduced the rate of the exchanges, it might be safely asserted, that its bills would be of equal value with silver at every point in the Union, and for every purpose, whether local or general.

But it is impossible to exhibit any thing like a just view of the beneficial operations of the bank, without adverting to the great reduction it has effected, and the steadiness it has superinduced, in the rate of the commercial exchanges of the country. Though this branch of the business of the bank has been the subject of more complaint, perhaps, than any other, the committee have no hesitation in saying, it has been productive of the most signal benefits to the community, and deserves the highest commendation. It has been already stated that it has saved the community from the immense losses resulting from a high and fluctuating state of the exchanges. It now remains to show its effect in equalizing the currency. In this respect, it has been productive of results more salutary than were anticipated by the most sanguine advocates of the policy of establishing the bank. *It has actually furnished a circulating medium more uniform than specie.* This proposition is susceptible of the clearest demonstration. If the whole circulating medium were specie, a planter of Louisiana, who should desire to purchase merchandise in Philadelphia, would be obliged to pay one per cent. either for a bill of exchange on this latter place, or for the transportation and insurance of his specie. His specie at New Orleans, where he had no present use for it, would be worth one per cent. less to him than it would be in Philadelphia, where he had a demand for it. But, by the aid of the Bank of the United States, one half of the expense of transporting specie is now saved to him. The bank, for one half of one per cent. will give him a draught upon the mother bank at Philadelphia, with which he can draw either the bills of that bank, or specie, at his pleasure. In like manner, the bank and its branches will give draughts from any point of the Union to any other where offices exist, at a per centage greatly less than it would cost to transport specie, and in many instances at par. If the merchant or planter, however, does not choose to purchase a draught from the bank, but prefers transmitting the bills of the office where he resides to any distant point, for commercial purposes, although these bills are not strictly redeemable at the point to which they are transmitted, yet, as they are receivable in payment of all dues to the Government, persons will be generally found willing to take them at par; and if they should not, the bank will receive them frequently at par, and always at a discount much less than would pay the expense of transporting specie. The fact that the bills of the bank and its branches are indiscrimately receivable at the custom-houses and land offices, in payment of duties, and for the public lands, has an effect in giving uniformity to the value of these bills, which merits a more full and distinct explanation.

For all the purposes of the revenue, it gives to the national currency that perfect uniformity, that ideal perfection, to which a currency of gold and silver, in so extensive a country, could have no pretensions. A bill issued at Missouri is of equal value with specie at Boston, in payment of duties; and the same is true of all other places, however distant, where the bank issues bills, and the Government collects its revenue. When it is, moreover, considered, that the bank performs, with the most scrupulous punctuality, the stipulation to transfer the funds of the Government to any point where they may be wanted, free of expense, it must be apparent that the committee are correct, to the very letter, in stating that the bank has furnished, both to the Government and to the people, *a currency of absolutely uniform value in all places, for all the purposes of paying the public contributions, and disbursing the public revenue.* And when it is recollected that the Government annually collects and disburses more than 23 millions of dollars, those who are at all familiar with the subject will at once perceive that bills, which are of absolutely uniform value for this vast operation, must be very nearly so for all the purposes of general commerce.

Upon the whole, then, it may be confidently asserted, that no country in the world has a circulating medium of greater uniformity than the United States; and that no country of any thing like the same geographical extent has a currency at all comparable to that of the United States on the score of uniformity. The committee have seen the statement of an intelligent traveller, who has visited almost every part of Europe, exhibiting the great variations of the currency in different parts of the same empire or kingdom. In Russia, the bills of the Bank of St. Petersburgh have a very limited circulation. At Riga, and throughout Courland, Livonia, and all the Southern parts of the empire, the currency is exclusively of silver coins. In Denmark, the notes of the Bank of Copenhagen are current only in Zealand, the other islands, and Jutland, but will not pass at all in Sleswic and Holstein, which constitute the best portion of the kingdom. Since the Congress of Vienna, Germany is divided into thirty-nine separate States, each having a distinct currency, though represented in the Diet at Frankfort. Out of the territory in which these several currencies are issued, they are mere articles of merchandise; which circumstance has given rise in every town to a numerous and distinct class of tradesmen, called money changers. How far these separate and unconnected currencies have a tendency to embarrass commerce, may be inferred from the fact, that a traveller going from St. Petersburgh to Calais will lose upon the unavoidable changes of money an average of six per cent. In France, the bills of the bank are of such large denominations as to be adapted only to the greater operations of commerce, and are principally confined to the bankers and extensive traders in Paris. The general currency is silver; and, to avoid the trouble of carrying this to distant parts of the kingdom, gold pieces, or bills of exchange, which are preferable, are purchased at a premium of from one and a half to four per cent. After this brief review of the currencies of Europe, the committee will barely state, as a conclusive vindication of our currency from the imputation of unsoundness, that there is no point in the Union, at which a bill of the United States' Bank, issued at the opposite extremity of the country, is at a discount of more than one-fourth of one per cent.

In confirmation of the views here presented, as to the comparative uniformity of the currency furnished by the bank, and, also, as to the obligation of the bank to redeem its bills, indiscriminately, at all the offices, the committee will present a few brief extracts from the speech of a statesman, whose opinions have every title to authority on these important subjects. Mr. Lowndes, in discussing the question, how far the bank had performed the great duty for which it was created, used the following decided language in 1819, when the currency had not reached the point of uniformity it has now attained by half of one per cent.

"The great object of the Government in chartering the bank, was to provide a currency which should have that degree of stability and uniformity in its value which is required by the interests both of our commerce and revenue. A currency, equally valuable at every place and every time, cannot be provided by human wisdom. The nearest approach to this object has been generally supposed to be afforded by the employment of gold and silver as the measures of value. The 14th Congress did not aim at ideal perfection; they wished to combine with the conveniencies of bank circulation an uniformity of value equal to that which was possessed by the precious metals; and the means which they employed to secure this uniformity were simple and effectual, by enjoining, under a heavy penalty, the payment of all its notes in coin, upon demand. In the report, indeed, the notes of the national bank are said to be now 'on the same footing with those of local banks.' Of the footing on which local bank notes stood, he should speak hereafter; but the price current upon his table informed him, that the greatest discount on branch notes of the United States was three-fourths of one per cent. This was a value much more uniform than that which coin could be expected to have in so extensive a country. He had been lately looking into a book on political economy, which had been published here, with high, and, in respect to its clearness and precision, with just commendations—the work of Mr. Tracy. He inferred from one of his chapters, that the difference of exchange between Marseilles and Paris was often from two to three per cent. If, with all the facilities afforded by the internal improvements in which France is so rich, with a currency consisting almost exclusively of gold and silver, the variation in the value of money is three times greater *in her territory than on our continent*, can it be said, that, in this respect, the bank has not fulfilled the objects of its institution? Before its establishment, the value of bank notes, even in the commercial States, had varied twenty per cent. from each other; and, as none of them bore a fixed proportion to the precious metals, or to any natural standard, it was impossible to assign any limit to their depreciation. You have required that the currency furnished by the national bank should be every where convertible into silver, and it is so. You have expected that it should be as uniform as coin, and it is more so. He would not detain the committee by reading a paper, which he had prepared with that intention, containing the state of exchange, since the establishment of the bank, with England, France, and Holland: for he found himself occupying much more of their time than he had expected. But he believed that any member, who should turn his attention to the subject, would remark its steadiness during that period. He thought himself justified in drawing from this fact a conclusion highly favorable to the bank."

In reference to the great depreciation of the paper of the local banks, previous to the establishment of that of the United States, he said:

"Did the interests or duty of the Government of the United States permit that this currency should be received by it? Some dissatisfaction was expressed because the branch notes of the United States' Bank were at a discount of three-fourths of one per cent. He read from a price current the state of the market for bank notes, by which it appeared that notes, which were insisted to be in very good credit, varied from a discount of two and a half to one of seven, fifteen, twenty-five, and even thirty per cent. Was our revenue to be received in these notes? How were they to be employed? They might be expended in the district in which they were issued. But was the expenditure of every district to be exactly limited to its revenue? What became of the Union if it were so? He spoke of the thing, and not the name. Our Union might dissolve in imbecility as well as be destroyed by violence. Did not union imply, that the resources of one State, its money as well as its men, might be employed for the defence of another?

"But, if the Government were willing to bear the loss of a depreciated and unequal currency, it must neglect the plainest principle of the Constitution in doing so—equality of taxation. The committee must 'well remember, that, before the establishment of the National Bank, such was the unequal value of currency in the different States, that the merchants paid duties, varying fifteen per cent. from each other, on the same articles.'"

On the question, whether the bank was bound to redeem, indiscriminately, the bills of all its branches, he said:

"He should not argue that the bank was not bound to pay its notes, indiscriminately, at all its offices. He believed that nobody now contended that it was." * * * "It was no unfair account of the practical operation of the system of which he was speaking, to say that it gave to the branches where the exchange was unfavorable, the entire disposition of the specie of those branches where the exchange was favorable. Upwards of six millions of specie have been sent to the branch of New York, besides the amount which has been paid by the subscribers of the bank there; but, in isusing notes which the bank of New York has been obliged to redeem, every branch throughout the country has drawn upon a fund, with whose condition at the time it could not be acquainted." * * * * * * "Such a system might be expected to produce inconvenient changes in the distribution of bank capital, an extreme facility of obtaining loans at one time, and unexpected contractions of discount at another." * * * * "Whenever the state of exchange is unfavorable, whenever the just principles of banking require a reduction of discounts, then, under this system of indiscriminate payment of its notes, the bank has nothing to fear from a draught of specie, and is encouraged to lend to every applicant. Wherever the exchange is favorable, and on the sound principles of banking, an enlarged accommodation might be given to the community—there the flow of notes from every State whose exchange is unfavorable, contracts or suspends all the operations of the bank. Thus, wherever discounts should be enlarged, the tendency of this system is to reduce them, and to enlarge them wherever they should be reduced."

Independently of the gross injustice of requiring the bank to perform all the exchanges of this extensive confederacy without any compensation, these enlightened views show most conclusively its inexpediency and injustice, as it regards the different sections of the Union. It would inevitably render those parts of the Union where the bank issues were prudent and moderate, tributary to those where the issues were injudicious aud excessive. In this way, the very inequality in the currency, which the bank was designed to correct, would be perpetuated by the vain attempt to make it perform impossibilities. The power of annihilating space, of transporting money or any other article to the most distant points, without the loss of time or the application of labor, belongs to no human institution.

But the salutary agency of the Bank of the United States, in furnishing a sound and uniform currency, is not confined to that portion of the currency which consists of its own bills. One of the most important purposes which the bank was designed to accomplish, and which, it is confidently believed, no other human agency could have effected, under our federative system of Government, was the enforcement of specie payments on the part of numerous local banks, deriving their charters from the several States, and whose paper, irredeemable in specie, and illimitable in its quantity, constituted the almost entire currency of the country. Amidst a combination of the greatest difficulties, the bank has almost completely succeeded in the performance of this arduous, delicate, and painful duty. With exceptions, too inconsiderable to merit notice, all the State banks in the Union have resumed specie payments. Their bills, in the respective spheres of their circulation, are of equal value with gold and silver; while, for all the operations of commerce, beyond that sphere, the bills or the checks of the Bank of the United States are even more valuable than specie. And even in the very few instances in which the paper of State banks is depreciated, those banks are winding up their concerns; and it may be safely said, that no citizen of the Union is under the necessity of taking depreciated paper, because a sound currency cannot be obtained. North Carolina is believed to be the only State where paper of the local banks is irredeemable in specie, and consequently depreciated. Even there, the depreciation is only one or two per cent., and what is more important, the paper of the Bank of the United States can be obtained by all those who desire it, and have an equivalent to give for it.

The committee are aware, that the opinion is entertained by some, that the local banks would, at some time or other, either voluntarily, or by the coercion of the State Legislatures, have resumed specie payments. In the very nature of things this would seem to be an impossibility. It must be remembered that no banks ever made such large dividends as were realized by the local institutions, during the suspension of specie payments. A rich and abundant harvest of profit was opened to them, which the resumption of specie payments must inevitably blast. While permitted to give their own notes, bearing no interest, and not redeemable in specie, in exchange for better notes bearing interest, it is obvious, that the more paper they issued, the higher would be their profits. The most powerful motive that can operate upon moneyed corporations, would have existed, to prevent the State banks from putting an end to the very state of things, from which their excessive profits proceeded. Their very nature must have been changed, therefore, before they could have been induced to co-operate, voluntarily, in the restoration of the currency. It is quite as improbable that the State Legislatures would have compelled the banks to do their duty. It has already been stated, that the tendency of a depreciated currency to attract importations to the points of greatest depreciation, and to lighten the relative burthens of federal taxation, would naturally produce, among the States, a rivalry in the business of excessive bank issues. But there remains to be stated, a cause, of more general operation, which would have prevented the interposition of the State Legislatures to correct those issues.

The banks were, directly and indirectly, the creditors of the whole community, and the resumption of specie payments necessarily involved a general curtailment of discounts, and withdrawal of credit, which would produce a general and distressing pressure upon the entire class of debtors. These constituted the largest portion of the population of all the States where specie payments were suspended, and bank issues excessive. Those, therefore, who controlled public opinion in the States, where the depreciation of the local paper was greatest, were interested in the perpetuation of the evil. Deep and deleterious, therefore, as the disease evidently was, in many of the States, their Legislatures could not have been expected to apply a remedy, so painful as the compulsion of specie payments would have been, without the aid of the Bank of the United States. And here it is worthy of special remark, that, while that bank has compelled the local banks to resume specie payments, it has most materially contributed, by its direct aid and liberal arrangements, to enable them to do so, and that with the least possible embarrassment to themselves and distress to the community. If the State Legislatures had been ever so anxious to compel the banks to resume specie payments, and the banks ever so willing to make the effort, the committee are decidedly of the opinion that they could not have done it, unaided by the Bank of the United States, without producing a degree of distress incomparably greater than has been actually experienced. They will conclude their remarks on this branch of the subject by the obvious reflection, that, if Congress, at the close of the war, had left it to the States to restore the disordered currency, this important function of sovereignty would have been left with those from whom the Constitution has expressly taken it, and by whom it could not be beneficially or effectually exercised. But another idea, of considerable plausibility, is not without its advocates. It is said that this Government, by making the resumption and continuance of specie payments the condition upon which the State banks should receive the Government deposites, might have restored the currency to a state of uniformity. Without stopping to give their reasons for believing that specie payments could not have been restored in this way, and that, even if they could, a uniform currency of general credit, throughout the Union, would not have been provided, the committee will proceed to give their reasons for thinking that such a connexion between the Federal Government and the State banks would be exceedingly dangerous to the purity of both. While there is a National Bank, bound by its charter to perform certain stipulated duties, and entitled to receive the Government deposites as a compensation, fixed by the law creating the charter, and only to be forfeited by the failure to perform those duties, there is nothing in the connexion at all inconsistent with the independence of the bank, and the purity of the Government. The country has a deep interest that the bank should maintain specie payments, and the Government an additional interest that it should keep the public funds safely, and transfer them, free of expense, wherever they may be wanted. The Government, therefore, has no power over the bank, but the salutary power of enforcing a compliance with the terms of its charter. Every thing is fixed by the law, and nothing left to arbitrary discretion. It is true that the Secretary of the Treasury, with the sanction of Congress, would have the power to prevent the bank from using its power unjustly and oppressively, and to punish any attempt, on the part of the Directors, to bring the pecuniary influence of the institution to bear upon the politics of the country, by withdrawing the Government deposites from the offending branches. But this power would not be lightly exercised by the Treasury, as its exercise would necessarily be subject to be reviewed by Congress. It is, in its nature, a salutary corrective, creating no undue dependence on the part of the bank.

But the state of things would be widely different, if there was no National bank, and it was left to the discretion of the Secretary of the Treasury to select the local banks in which the Government deposites should be made. All the State banks would, in that case, be competitors for the favor of the Treasury; and no one. who will duly consider the nature of this sort of patronage, can fail to perceive, that, in the hands of an ambitious man, not possessed of perfect purity and unbending integrity, it would be imminently dangerous to the public liberty. The State banks would enter the lists of political controversy, with a view to obtain this patronage; and very little sagacity is required to foresee, that, if there should ever happen to be an administration disposed to use its patronage to perpetuate its power, the public funds would be put in jeopardy by being deposited in banks unworthy of confidence, and the most extensive corruption brought to bear upon the elections throughout the Union. A state of things more adverse to the purity of the Government—a power more liable to be abused—can scarcely be imagined. If five millions of dollars were annually placed in the hands of the Secretary of the Treasury, to be distributed at his discretion, for the purposes of internal improvement, it would not invest him with a more dangerous and corrupting power.

In connexion with this branch of the subject, the committee will briefly examine the grounds of a complaint, sometimes made against the Bank of the United States. It is alleged that this bank, availing itself of the government deposites, consisting in some places principally of local paper, makes heavy and oppressive draughts on the local banks for specie, and thus compels them to curtail their discounts, to the great injury of the community. In the first place, it is to be remarked, that one of the highest duties of the bank–the great object for which it was established—was to prevent the excessive issues of local paper; and this duty can only be performed, by enforcing upon the State banks the payment of specie for any excess in their issues. But the committee are induced to believe, that this complaint is principally owing, so far as it now exists, to the fact, that the operations of the Federal Treasury are mistaken for the operations of the bank, because the bank is the agent by whom those operations are performed. This institution receives the Government deposites in the paper of the local banks, certainly in no spirit of hostility to those banks. On the contrary, it tends to give them credit, and is designed to have that effect. But the Bank of the United States is not only bound to pay in specie, or its own bills, what it receives for the Government in local paper, but to transfer the funds to any part of the Union where they may be required for disbursement. Let it be assumed, that the Government collects annually, at the Custom-house in Charleston, one million of dollars in local bank notes, and disburses in South Carolina only one hundred thousand, it would result from this, that the Government would have nine hundred thousand dollars of local bank paper deposited in the Charleston branch, which the bank would be bound by its charter, and for the national benefit, to transfer perhaps to Washington or Norfolk. As this paper would not answer the purposes of the Government at those places, the bank would be, of course, compelled to provide specie, or bills that will command specie at those places. It is obvious, then, that it is the inequality in the collection and disbursement of the revenue, that produces the evil in question. If all the revenue collected in Charleston were disbursed in the State, no draughts would be made upon the local banks for specie. The Bank of the United States, so far from being justly obnoxious to any complaint on this score, has greatly mitigated the action of the Treasury upon the local banks, by means of the liberal arrangements which its large capital and numerous branches have enabled it to make with them. The degree in which that institution has reduced the rate of exchange, may be fairly assumed as that in which it has mitigated the action of the Treasury upon the State banks. If, for example, there existed no national bank, and the deposites of the revenue collected in Charleston were made in one of the local banks, what would be the effect of transferring, annually, nine hundred thousand dollars to Washington or Norfolk? The local banks, having no branches at either of those places, instead of transmitting draughts, as is now generally done, would be compelled to transmit specie. The bank in which the Government deposites were made, would consequently be under the necessity of demanding specie from all the other banks, in a manner, and to an extent, much more oppressive than any thing that can be imputed to the Bank of the United States. If, to avoid these specie draughts, the local banks should purchase bills on Washington or Norfolk, they would probably cost five or six per cent. even in a tolerable state of the currency, which would be a loss to the banks almost to the full extent of the premium.

Although the expediency of renewing the charter of the present bank is not a question now submitted for the decision of Congress, the committee consider it so far involved in the matter referred to them, as to render it their duty to present some considerations bearing on that question, in addition to what they have said on the general expediency of maintaining such an institution. If a national bank, similar to the present, be a necessary and proper agent for the accomplishment of the great purposes heretofore indicated, the only remaining question would seem to be, whether the charter of the present stockholders should be renewed, or a new set of stockholders incorporated.

In considering this question, Congress will, of course, be governed in some degree, by the terms on which the present stockholders will agree to accept a renewal of their charter. But, as the committee have satisfactory reasons for believing that terms eminently advantageous to the Government can be obtained, they will proceed to some other inquiries. What, then, would be the effect of refusing to renew the present charter? And, in the first place, what are the inducements for pursuing that course?

It is sometimes alleged that the present stockholders are large capitalists, and, as the stock of the bank is some 20 per cent. above par, that a renewal of the charter would be equivalent to a grant to them of 20 per cent. upon their capital. It is true that a small proportion of the capital of the company belongs to very wealthy men. Something more than two millions of that owned in the United States belongs to persons holding upwards of one hundred thousand dollars each. It is also true that foreigners own seven millions, or one-fifth of the capital. But, on the other hand, it is to be remarked that the Government, in trust for the people of the United States, holds seven millions; that persons owning less than five thousand dollars each, hold four millions six hundred and eighty-two thousand; and that persons owning between five and ten thousand dollars each, hold upwards of three millions. It is also worthy of remark, that a very considerable portion of the stock—very nearly six millions—is held by trustees and guardians, for the use of females and orphan children, and charitable and other institutions. Of the twenty-eight millions of the stock which is owned by individuals, only three millions four hundred and fifty-three thousand is now held by the original subscribers. All the rest has been purchased at the market prices—a large portion of it, probably, when those prices were higher than at present. Most of the investments made by wills, and deeds, and decrees in equity, for the use of females and minors, are believed to have been made when the stock was greatly above par. From this brief analysis, it will appear that there is nothing in the character or situation of the stockholders, which should make it desirable to deprive them of the advantage which they have fairly gained, by an application of their capital to purposes highly beneficial, as the committee have attempted to shew to the Government and people of the United States. If foreigners own seven millions of the stock of the bank, our own government owns as much; if wealthy men own more than two millions, men in moderate circumstances own between seven and eight millions; and widows, orphans, and institutions devoted to charitable and other purposes, own nearly six millions.

But the objection that the stock is owned by men of large capital would apply with equal, if not greater force, to any bank that could be organized. In the very nature of things, men who have large surplus capitals are the principal subscribers at the first organization of a bank. Farmers and planters, merchants and manufacturers, having an active employment for their capitals, do not choose to be the first adventurers in a bank project. Accordingly, when the present bank went into operation, it is believed that most of the capital was owned by large capitalists, and under a much more unequal distribution than exists at present. The large amount of stock now held in trust for females and minors, has been principally, if not entirely, purchased since the bank went into operation; and the same remark is generally applicable to the stock in the hands of small holders. It is only when the character of a bank is fully established, and when its stock assumes a steady value, that these descriptions of persons make investments in it.

It is morally certain, therefore, that, if another distinct institution were created, on the expiration of the present charter, there would be a much greater portion of its capital subscribed by men of large fortunes, than is now owned by persons of this description, of the stock of the United States' Bank. Indeed, it might be confidently predicted, that the large capitalists who now hold stock in that bank, would, from their local position and other advantages, be the first to forestall the subscriptions to the new bank, while the small stockholders, scattered over the country, would be probably excluded, and the females and minors, and others interested in trust investments made by decrees in equity, would be almost necessarily excluded, as the sanction of a court could scarcely be obtained, after the passage of the new act of incorporation, in time to authorize a subscription.

To destroy the existing bank, therefore, after it has rendered such signal services to the country, merely with a view to incorporate another, would be an act rather of cruelty and caprice, than of justice and wisdom, as it regards the present stockholders. It is no light matter to depreciate the property of individuals, honestly obtained, and usefully employed, to the extent of five millions six hundred thousand dollars, and the property of the Government, to the extent of one million four hundred thousand dollars, purely for the sake of change. It would indicate a fondness for experiment, which a wise Government will not indulge upon slight considerations.

But the great injury which would result from the refusal of Congress to renew the charter of the present bank, would, beyond all question, be that which would result to the commuuity at large. It would be difficult to estimate the extent of the distress which would naturally and necessarily result from the sudden withdrawal of more than forty millions of credit, which the community now enjoys from the bank. But this would not be the full extent of the operation. The Bank of the United States, in winding up its concerns, would not only withdraw its own paper from circulation, and call in its debts, but would unavoidably make such heavy draughts on the local institutions for specie, as very greatly to curtail their discounts. The pressure upon the active, industrious, and enterprising classes, who depend most on the facilities of bank credit, would be tremendous. A vast amount of property would change hands at half its value, passing under the hammer, from the merchants, manufacturers, and farmers, to the large moneyed capitalists, who always stand ready to avail themselves of the pecuniary embarrassments of the community. The large stockholders of the present bank, the very persons whose present lawful gains it would be the object of some to cut off, having a large surplus money capital thrown upon their hands, would be the very first to speculate upon the distresses of the community, and build up princely fortunes upon the ruins of the industrious and active classes. On the other hand, the females and minors, and persons in moderate circumstances, who hold stock in the institution, would sustain an injury, in no degree mitigated by the general distress of the community.

A very grave and solemn question will be presented to Congress, when they come to decide upon the expediency of renewing the charter of the present bank. That institution has succeeded in carrying the country through the painful process necessary to cure a deep seated disease in the national currency. The nation, after having suffered the almost convulsive agonies of this necessary remedy, is now restored to perfect health. In this state of things, it will be for Congress to decide whether it is the part of wisdom to expose the country to a degree of suffering almost equal to that which it has already suffered, for the purpose of bringing back that very derangement of the currency, which has been remedied by a process, as necessary as it was distressing.

If the Bank of the United States were destroyed, and the local institutions left without its restraining influence, the currency would almost certainly relapse into a state of unsoundness. The very pressure which the present bank, in winding up its concerns, would make upon the local institutions, would compel them either to curtail their discounts when most needed, or to suspend specie payments. It is not difficult to predict which of these alternatives they would adopt, under the circumstances in which they would be placed. The imperious wants of a suffering community would call for discounts, in language which could not be disregarded. The public necessities would demand, and public opinion would sanction, the suspension, or at least an evasion, of specie payments.

But, even if this desperate resort could be avoided in a period of peace and general prosperity, neither reason nor experience will permit us to doubt, that a state of war would speedily bring about all the evils which so fatally affected the credit of the Government and the national currency, during the late war with Great Britain. We should be again driven to the same miserable round of financial expedients, which, in little more than two years, brought a wealthy community almost to the very brink of a declared national bankruptcy, and placed the Government completely at the mercy of speculating stockjobbers.

The Committee feel warranted, by the past experience of the country, in expressing it as their deliberate opinion, that, in a period of war, the financial resources of the country could not be drawn into efficient operation without the aid of a national bank, and that the local banks would certainly resort to a suspension of specie payments. The maxim is eminently true in modern times, that money is the sinew of military power. In this view of the subject, it does appear to the committee, that no one of the institutions of the country, not excepting the army or navy, is of more vital importance than a national bank. It has this decided advantage over the army and navy: while they are of scarcely any value except in war, the bank is not less useful than either of them in war, and is also eminently useful in peace. It has another advantage, still greater. If, like the army or navy, it should cost the nation millions annually to sustain it, the expediency of the expenditure might be doubted. But, when it actually saves to the Government and to the country, as the committee have heretofore attempted to show, more millions annually than are expended in supporting both the army and navy, it would seem that, if there was any one measure of national policy, upon which all the political parties of the country should be brought to unite, by the impressive lessons of experience, it is that of maintaining a national bank.

It is due to the persons, who, for the last ten years, have been concerned in the administration of the bank, to state, that they have performed the delicate and difficult trust committed to them, in such a manner, as, at the same time, to accomplish the great national ends for which it was established, and promote the permanent interest of the stockholders, with the least practicable pressure upon the local banks. As far as the committee are enabled to form an opinion, from careful inquiry, the bank has been liberal and indulgent in its dealings with these institutions, and, with scarcely an exception, now stands in the most amicable relation to them. Some of those institutions have borne the most disinterested and unequivocal testimony in favor of the bank.

It is but strict justice also to remark, that the direction of the mother bank appears to have abstained, with scrupulous care, from bringing the power and influence of the bank to bear upon political questions, and to have selected, for the direction of the various branches, business men in no way connected with party politics. The committee advert to this part of the conduct of the directors, not only with a view to its commendation, but for the purpose of expressing their strong and decided conviction that the usefulness and stability of such an institution will materially depend upon a steady and undeviating adherence to the policy of excluding party politics and political partizans from all participation in its management. It is gratifying to conclude this branch of the subject, by stating, that the affairs of the present bank, under the able, efficient, and faithful guidance of its two last presidents and their associates, have been brought from a state of great embarrassment into a condition of the highest prosperity. Having succeeded in restoring the paper of the local banks to a sound state, its resources are now such as to justify the directors in extending the issue and circulation of its paper so as to satisfy the wants of the community, both as it regards bank accommodations and a circulating medium. Upon the soundest principles of banking, the very ample resources of the institution would justify the directors in granting accommodations to a much greater extent than they have yet done; and though they have increased the circulation of their paper from four and a half to fourteen millions, since January, 1823, they are ready and willing to increase it still further, by discounting bills of exchange and other business paper. It is believed that the discounts and issues of the institution are now actually limited by the want of applications resting upon these, the only substantial and safe foundations of bank credit and circulation.

III. Having said thus much on the constitutionality and expediency of an incorporated National Bank, the only question which remains to be examined by the committee is, the expediency of establishing "a National Bank founded upon the credit of the Government and its revenues."

It is presumed to have been the intention of the President, in suggesting the inquiry as to a bank founded upon the credit and revenues of the Government, to be understood as having allusion to a bank of discount and deposite. Such a bank, it is taken for granted, would have branches established in various parts of the Union, similar to those now established by the Bank of the United States, and co-extensive with them. The great object of furnishing a national currency could not be accomplished, with an approach to uniformity, without the agency of such branches; and another object, second only in importance to the one just stated, the extension of the commercial facilities of bank accommodations to the different parts of the Union, could not be at all effected without such agency. If there should be simply a great central bank established at the seat of Government, without branches to connect its operations with the various points of the commerce of the Union, the promise to pay specie for its notes, whenever presented, would be almost purely nominal. Of what consequence would it be to a merchant or planter of Louisiana, or a manufacturer or farmer of Maine, that he could obtain specie for bills of the National Bank, on presenting them at the City of Washington—a place wholly unconnected either with Louisiana or Maine by any sort of commercial intercourse, and where, consequently, these bills would never come in the regular course of trade? A promise to pay specie at a place so remote from the place of circulation, and where the bills would never come but at a great expense, and for the sole purpose of being presented for payment, would neither give credit to the notes, nor operate as an effective check upon excessive issues. Whatever credit such notes might have, at a distance from the place of issue, would not be because they were redeemable at the pleasure of the holder—for such would not be the fact; but principally because of the ultimate responsibility of the Government, and of their being receivable in payment of all dues to the Treasury. They would rest, therefore, upon almost precisely the same basis of credit as the paper money of our Revolution, the assignats of Revolutionary France, and the Treasury notes of the late war. These were receivable in discharge of debts due to the Treasury, and the Government was of course ultimately responsible for their payment; yet the two former depreciated almost to nothing, and the latter, though bearing interest, sunk to 20 per cent. below par. But the notes of a central Government Bank, without branches, would be subject to depreciation from a cause which constitutes a conclusive objection to such an institution. *There would be nothing to limit excessive issues but the discretion and prudence of the Government or of the direction.* Human wisdom has never devised any adequate security against the excessive issues, and, consequently, the depreciation of bank paper, but its actual, and easy, and prompt convertibility into specie at the pleasure of the holder. Experience has shown that, where the paper of a bank is, by any means, habitually circulated at places remote from the point where it is issued, and not connected with it by a regular commercial intercourse, there will not exist that easy and prompt convertibility which is so essential to the credit of bank paper. When bank bills are confined to their appropriate sphere of circulation, a redundant issue is certainly and immediately followed by a run upon the bank for specie. This timely admonition is as useful to the bank as it is to the community: for it enables the directors to avoid, with unfailing certainty, an excess equally injurious to both, and which no human sagacity could anticipate or prevent, by calculation merely. Whatever, therefore, in a system of bank circulation, prevents the reflux of redundant issues, necessarily destroys the only adequate security against these injurious and ruinous excesses.

But a Government Bank, without branches, would be obnoxious to another objection, which could not be obviated. Its loans would be confined to the District of Columbia; or, if extended to the various parts of the Union—to say nothing of the inconvenience to which it would expose those at a distance who obtained accommodations—they would be unavoidably granted without any knowledge of the circumstances of the persons upon whose credit the Government would depend for re-payment. It would, in fact, be, for all useful purposes, a mere District Bank.

These views of the subject have brought the committee to the conclusion, that, if a Government Bank should be established, it would have at least as many branches as the Bank of the United States, and probably a much greater number. Few administrations would have the firmness to resist an application to establish a branch, coming from any quarter of the Union, however injudicious the location might be, upon correct principles of commerce and banking.

The Bank of the United States now employs five hundred agents, in the various parts of the Union where its offices are established. From this fact some idea may be formed of the very great addition which would be made to the patronage of the Executive Government by the establishment of such a bank as the one under consideration.

But the patronage resulting from the appointment—the annual appointment—of these agents, great as it would doubtless be, would be insignificant and harmless, when compared with that which would result from the dispensation of bank accommodations to the standing amount of at least fifty millions of dollars! The mind almost instinctively shrinks from the contemplation of an idea so ominous to the purity of the Government and the liberties of the people. No government of which the committee have any knowledge, except, perhaps, the despotism of Russia, was ever invested with a patronage at once so prodigious in its influence and so dangerous in its character. In the most desperate financial extremities, no other European government has ever ventured upon an experiment so perilous. If the whole patronage of the English monarchy were concentrated in the hands of the American Executive, it may be well doubted whether the public liberty would be so much endangered by it as it would by this vast pecuniary machine, which would place in the hands of every administration fifty millions of dollars, as a fund for rewarding political partizans.

Without assuming that a corrupt use would be made of this new species of government patronage, a very slight acquaintance with the practice of all political parties, whatever may be their professions, will be sufficient to satisfy any reflecting mind that all the evil consequences of corruption would flow from its exercise. Have not our political contests too frequently degenerated into a selfish scramble for the offices of the country? Are there not those who sincerely and honestly believe that these offices are legitimate objects of political warfare, and the rightful reward of the victorious party? And, disinterested and patriotic as the great body of every political party is admitted to be, the fact is no less true than it is lamentable, that the most devoted and active partizans are very often mere soldiers of fortune, who watch the political signs, and enlist, at the eleventh hour, under the banners of the party most likely to prove successful. Such being, more or less, the composition of all political parties, what would be the probable use made of fifty millions of bank patronage, by a political party which conscientiously held the doctrine that all the offices in the gift of the Executive should be divided among the partizans of a successful political leader? Would not the same principle be even more applicable to bank loans? and would not the Treasury of the United States, under the sanctifying influence of party delusion and party infatuation, be literally plundered, by mercenary retainers, bankrupts in fortune, and adventurers in politics?

Even if the administration should be ever so much disposed to restrain the abuse of this prtronage, it would be utterly impracticable to exercise any efficient control over the great number of bank directors who would be scattered over the Union, and who, upon all the known principles of human nature, it may be confidently predicted, would principally consist of busy and officious political partizans.

Such would be the depositaries—acting, not under the public eye, but under the protecting mystery of a sort of concealment and secrecy deemed indispensable in banking operations—to whom not only the whole Treasury of the Union would be confided, to be squandered, perhaps, in profligate favoritism, but the tremendous power of putting the whole property of the nation under mortgage, for the redemption of the bills issued at their discretion. To say nothing of the utter insecurity of the public revenues under such a system, a new species of legislative power, unknown to the Constitution, would be committed to these irresponsible bank directors, of which no human sagacity can predict the consequences.

A just analysis of the operation of granting loans by this Government bank, in exchange for the notes of private individuals, will show, that it involves the exercise, on the part of the directors, of the two-fold power of appropriating the public revenue in the most dangerous of all forms—discretionary loans—and of pledging the responsibility of the Government, to an unlimited extent, for the payment of the debts at the same time created agianst it. These are among the highest fnnctions of legislative power, and have been expressly and exclusively vested in Congress. Unless, therefore, it be assumed, that Congress may rightfully transfer the powers with which it is invested to these bank directors, it will be difficult to find any warrant, either in the letter or spirit of the Constitution, for the creation of this tremendous engine of pecuniary influence. It may, indeed, be doubted, whether all the branches of the legislative authority united, have any constitutional power to lend the public revenue, either to individuals, corporations, or States, without reference to the objects to which it shall be applied. But, whatever may be the power of Congress on this subject, it appears to the committee to be inexpedient, in every view of the question, that the Government should be converted into a great money lender. There is no species of trade in which it would be wise for the Government to embark; but of all the variety of pursuits known to human enterprise, that of lending money by the Government to the citizens of the country, would be fraught with the most pernicious consequences.

In the first place, it is a business to which, in the very nature of things, no Government is adapted, and, least of all, a popular Government. There is no employment of capital that requires a more vigilant and skilful superintendence. Nothing but the ever active motive of individual interest an supply the watchfulness necessary to secure a banking institution against the grossest frauds and impositions. In pecuniary transactions, few men are to be found who will serve others, in cases involving the exercise of discretionary power, with the same fidelity that they would serve themselves; and, when we consider the strong motives, both of private friendship and political attachment, which would operate on the directors of a Government bank, to bestow its favors without impartiality or prudence, it requires but little sagacity to foresee that enormous losses would be annually sustained by the insolvency of the Government debtors.

All Governments have found it expedient to place the public Treasury under the guardianship of a high and confidential officer, aided, in the enforcement of a rigid responsibility, by a system of checks and counterchecks, operating upon all the subordinate officers concerned in collecting and disbursing the public revenue. Such is our own system. No discretion is vested in the chief officer of the Treasury, much less in those that are subordinate, in the appropriation of a single dollar of the public money. "No money can be drawn from the Treasury but in consequence of appropriations made by law." How far these wise and provident safeguards, and this constitutional barrier, would be prostrated by placing not only the public revenue, but the public credit, at the disposal of some hundreds of bank directors in various parts of the Union, is a very grave question for the consideration of the House.

Our own experience has demonstrated the great danger of having large masses of the community indebted to the Government. It was a deep conviction of this danger that induced Congress to abolish the system of credit sales in the disposition of the public lands. Congress has been compelled to yield to the pressing importunities of the purchasers of these lands, by granting them not only repeated indulgencies, but by remitting some millions of the debt. What, then, would be the situation of the Government, with a debt of fifty millions diffused throughout the country, and due to it from the most active, enterprising, and influential classes of the community? Nothing that has not happened can be more certain, than that every unfavorable vicissitude in trade, every period of commercial distress and embarrassment, would give rise to importunate and clamorous calls for indulgence, and for an injudicious extension of discounts, which no administration would have the firmness to resist. Every one who has witnessed the urgency and unanimity with which the representatives of the States indebted for public lands have pressed the claims of their citizens for indulgence and remission, must be satisfied, that, if the citizens of all the States should become indebted much more largely for bank loans, the Government would have scarcely any faculty of resistance, when appeals for indulgence should come from all quarters of the Union, sustained by the strong plea of public distress and embarrassment.

The policy of extending indulgence to the public debtors, and of granting more liberal loans to the community, would, in the natural course of things, become the favorite theme of those who aspired to popular favor. Political parties would come to be divided upon the question of observing towards the public debtors a strict banking policy, indispensable to the maintenance of specie payments, on the one hand, or a liberal Government policy, necessarily involving a suspension of specie payments, on the other. And when it is considered that the whole class of debtors, always the most numerous and active portion of the community, would be naturally in favor of increasing bank issues, and extending bank indulgences, it can scarcely be doubted that specie payments would be suspended in the first great pecuniary exigency, growing out of embarrassments in our commerce, or deficiencies in our revenue.

The Government, therefore, which is under the most sacred obligations to constrain all the banks to maintain specie payments, with a view to the uniformity and soundness of the currency, would, by its own example, perpetuate the great national evil of a fluctuating and depreciated circulating medium.

These evils, which would be so highly probable in time of peace, would be almost certain in the event of war. The temptation to supply the Federal Treasury by the easy process of bank issues, rather than resort to the unpopular process of internal taxation, would be too fascinating to be resisted. We should thus experience, what every nation has experienced in like circumstances, the manifold evils of a mere paper currency, having no relation to any standard of intrinsic value. In these views the committee are fully sustained by the opinion of Mr. Lowndes, expressed in 1819. These are his words: "That the destruction of the [United States] Bank would be followed by the establishment of paper money, he firmly believed; he might almost say, he knew. It was an extremity from which the House would recoil, if now proposed; but if the resolution on the table were passed, it would very soon be proposed. The subject was too large for an incidental discussion. Gentlemen thought the amount of Government paper might be limited, and depreciation prevented, by the rate of interest which should be exacted. Inadequate every where, the security was particularly ineffectual in the United States."

But the inevitable tendency of a Government bank to involve the country in a paper system, is not, in the opinion of the committee, the greatest objection to it. The powerful, and, in the hands of a bad administration, the irresistible and corrupting influence which it would exercise over the elections of the country, constitutes an objection more imposing than all others united. No matter by what means an administration might get into power, with such a tremendous engine in their hands, it would be almost impossible to displace them without some miraculous interposition of Providence.

Deeply impressed with the conviction that the weak point of a free Government is the absorbing tendency of Executive patronage, and sincerely believing that the proposed bank would invest that branch of the Government with a weight of moneyed influence more dangerous in its character, and more powerful in its operation, than the entire mass of its present patronage, the committee have felt that they were imperiously called upon, by the highest considerations of public duty, to express the views they have presented, with a frankness and freedom demanded by the occasion. It is, at the same time, due to their own feelings, that they should state unequivocally their conviction, that the suggestion of the Chief Magistrate, which they have thus freely examined, proceeded from motives of the most disinterested patriotism, and was exclusively designed to promote the welfare of the country. This is not the mere formal and heartless homage, sometimes offered up to official station, either from courtesy or interest, but a tribute which is eminently due, and cheerfully rendered, to the exalted character of the distinguished individual on whom it is bestowed.

Extract of a letter from an intelligent merchant in Charleston, South Carolina, to the Chairman of the Committee of Ways and Means, illustrating the exchange operations of the Bank of the United States.

"This effect of diminishing the vast difference of exchange between the various points of the country, was evidently produced by the bank. The advantages produced by this institution, in the intercourse between the Western and Atlantic States, can be duly appreciated only by one who sees, passing before him, the actual operation of the system of exchange it has created. For example: Lexington, in Kentucky, annually accumulates a large surplus of funds to her credit in Charleston, derived from the sale of horses, hogs, and other live stock, driven to that as well as to other Southern markets by her citizens. Philadelphia is indebted to Charleston for exchange remitted, dividends on bank stock, &c. and Lexington is indebted to Philadelphia for merchandise. Without the transportation of a single piece of coin, Lexington draws on Charleston, and remits the check to Philadelphia in payment of her debt there; which operation adjusts the balance between the three points of the triangle almost without expense or trouble. Could such facilities be obtained from any other than an institution having branches in different parts of the Union, acting as co-partners in one concern? Local banks, whatever might be their willingness, could not accomodate in the same manner and to a like extent." * * * * * *

"The discounting of bills on the low terms established by the Branch Bank at this place, is a great benefit to the agricultural interest, particularly in enhancing the price of cotton and rice; and were the bank to stop its operations, there is no saying how far these staples would be depressed. The private dealers in exchange would take the place of the bank in that business, and their profits on bills would be taken out of the pockets of the planters, as the merchants would always regulate the price they would give for an agricultural production, by the high or low rate at which they could negotiate their bills. On account of its connexion with all parts of the Union, the bank affords this important advantage to the public: it is always a purchaser and always a seller of exchange at fixed and low rates, and thus prevents extortion by private dealers." * * * * * * "Before this bank went into operation, exchange was from 8 to 10 per cent. either for or against Charleston, which was a loss to the planter to that amount on all the produce of Georgia and South Carolina, and indeed you might say, all the produce of the Southern and Western States." * * * * *

"If the Bank of the United States were destroyed, the local banks would again issue their paper to an excessive amount; and while a few adventurous speculators would be much benefitted by such an issue, the honest and unsuspecting citizens of our country would, finally, be the losers. If we look back to what took place in New York, Pennsylvania, the Western States, and even in our own State, we shall see the grossest impositions committed by banks, commencing, with a few thousand dollars in specie, buying up newspapers to puff them as specie-paying banks, in order to delude the public, and, after getting their bills in circulation, blowing up, and leaving the unsuspecting planter and farmer victims of a fraud, by which they were deprived of the hard earnings of years of honest industry. But, sir, I believe the bank owes a great deal of the opposition which exists, and has existed, to the fact that it has put down these fraudulent institutions, got up by combinations and conspiracies of speculators; and who, after receiving large dividends, managed to destroy the credit of their own paper, and, by the agency of brokers, bought it up at half its nominal value.

"Since I last wrote you, I had a conversation with a gentleman in the confidence of some of the moneyed men of the North, and he says they are determined to break up the United States' Bank, to enable them to use their money to advantage; as that institution gives so many facilities to the community, as to deprive them of their former profits." * * * *

"There is another consideration: the distress would be immense, which a refusal to renew the charter would produce among those who are indebted to the institution: for I find that to this branch, the planters owe upwards of a million of dollars; and I have no hesitation in saying, as safe a debt as is owing to any bank in the Union. But if the bank should wind up its affairs, these planters could not get credit from other institutions; and as the bank can sue in the United States' Court, where judgment is obtained almost at once, property would be greatly depressed, and moneyed men would buy it up for half its value. Throughout the Union, all classes would suffer, except those who should hold up their money to go into the brokerage business, or buy property at a sacrifice. If I were sure the bank would not be rechartered, I would convert my property into money, with a view to dealing in exchange. I could make a vast fortune by it."

APPENDIX No. 1.

PRICES CURRENT, exhibiting a comparative view of the relative value of Bank Notes in 1816 *and in* 1829, *at various places.*

	Boston.		New York.		Philadelphia.		Baltimore.		Washington.		Richmond.		Norfolk.	
	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.
Spanish Dollars	par	-	-	-	18½ adv	par a ¼ ad	18 adv.	-	20a22 ad	par	-	-	9 a 10 ad	par
American ''	par	par	-	-	17 ''	par	-	-	do	par	-		do	par
Gold - -	-	-	-	-	17 ''	4½ adv.	-	-	-	-	-	-	-	-
Boston Notes	-	-	7 adv.	par	17 ''	par	12a14 ad	-	20a22 ad	½ dis.	-	-	8 adv	par
New York ''	7½ a 8 dis	¼ dis. a par	-	-	9½ ''	par	8½a 9 ad	-	15a16 ad	par	-	-	5 adv	par
Philadelphia ''	17a18 dis	do	17 dis.	par	-	-	2½ ad	-	6a 7 ad	par	-	-	4 dis	par
Pennsylv'a ''	-	-	-	-	11 dis.	par	-	-	6a 7 ad	par	-	-	-	par
Baltimore ''	19½a20 ''	¼ dis. a par	20a21 dis	¼ dis a par	4½ ''	par	-	-	2 ad	par	-	-	7 a 9 dis	par
Maryland ''	-	-	-	-	10 ''	¾ disc.	-	-	-	-	-	-	-	-
Virginia ''	-	-	13 dis.	1 dis.	4 adv	½ a ¾ dis.	7½ ad	-	par	par	-	-	-	-
Dis. Colum. ''	-	-	21a22 dis	½ dis a par	7 dis.	¾ ''	-	-	-	-	-	-	9a10 dis	1 dis
N. Carolina ''	-	-	13 dis.	1 dis.	4 adv	2½ ''	-	-	par a 3 dis	par a 1 dis	-	-	5 dis	1a1½ dis
S. Carolina ''	-	-	10a12 dis	1 dis.	6½ ''	1½ ''	7a8½ ad	-	do	do	-	-	2a2½ dis	do
Georgia ''	-	-	do	1 dis.	-	-	do	-	-	-	-	-	do	do

APPENDIX No. 1—Continued.

	Charleston.		Savannah.		New Orleans.		Louisville.		Lexington.		Cincinnati.		Pittsburgh.	
	1816, July 1,	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 1.	1816, July 1	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.	1816, July 1.	1829, Dec. 5.
Spanish Dollars	-	-	-	-	12 *a* 15 ad	par	-	-	-	-	-	-	18 *a* 25 ad	par
American "	6 *a* 8 ad	par	-	-	-	-	10 adv.	par	-	-	-	-	-	-
Gold - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boston Notes	8 ad	par	-	-	-	-	-	par	2 adv.	par	-	-	-	-
New York "	2 ad	par	5 *a* 9 dis	1½ disc.	-	-	4 adv.	par	2 adv	par	-	-	-	-
Philadelphia "	5 *a* 6½ dis	par	do	-	-	-	3 adv.	par	2 adv.	par	-	-	10 adv.	par
Pennsylv'a "	-	-	do	1½ disc.	-	-	-	-	-	-	-	-	-	-
Baltimore "	8 *a* 9 dis	par	do	-	-	-	-	par	-	-	-	-	9 adv.	par
Maryland "	-	-	do	1½ disc.	-	-	-	-	-	-	-	-	-	-
Virginia "	-	-	do	½ disc.	-	-	4 adv	1 dis.	-	-	-	-	-	-
Dis. Colum. "	-	-	do	-	-	-	-	-	-	-	-	-	-	-
N. Carolina "	-	-	-	3½ disc.	-	-	4 adv.	-	-	-	-	-	-	-
S. Carolina "	-	-	-	par *a* ½ ad	-	-	-	-	-	-	-	-	-	-
Georgia "	-	-	-	-	-	-	-	-	-	-	-	-	-	-

APPENDIX No.—2.

RATES OF EXCHANGE at which Draughts are sold, and Domestic Bills purchased or collected, by the Bank of the United States and its Offices of Discount and Deposite.

	Bank United States.		Portland		Portsmouth.		Boston.		Providence.		Hartford.	
	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.
At Bank of the U. States	-	-	par *a* ½	par	par *a* ¼	par	par *a* ¼	par	par *a* ¼	par	par *a* ¼	par
Office Portland -	par	par	-	-	-	-	par	par	-	par	-	par
Portsmouth -	par	par	-	par	-	-	par	par	-	par	-	par
Boston -	par	par	-	par	-	par	-	-	-	par	-	par
Providence -	par	par	-	-	-	-	par	par	-	-	-	par
Hartford -	par	par	-	-	-	-	par	par	-	par		
New York -	par	par	par	par	par	par	par *a* ¼	par	par	par	par	par
Baltimore -	par	par	-	-	-	-	-	par	-	par	-	par
Washington -	par	par	1	par	1	par	1	par	par	par	par	par
Richmond -	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par
Norfolk -	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par
Fayetteville -	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par	par *a* ½	par
Charleston -	par *a* ¼	¼	par *a* ¼	¼	par *a* ¼	-	par *a* ¼	¼	par *a* ¼	-	par *a* ¼	
Savannah -	-	¾	-	-	-	-	-	¾		-		
Mobile -	par *a* ½	½	-	-	-	-	par *a*	1½	-	-		
New Orleans	par *a* ½	1	-	1	-	1	par *a* ½	1	par *a* ½	1	par *a* ½	
St. Louis -	par *a* ½	-	-	-	-	-	1	-	-	-	1	
Nashville -	par *a* ½	¾	par *a* ½	-	par *a* ¼	-	par *a* ½	-	par *a* ½	-	par *a* ½	
Louisville -	par *a* ½	½	par *a* ½	-	par *a* ¼	-	par *a* ½	-	par *a* ½	-	par *a* ½	
Lexington -	¾	par	¾	1	¾	-	¾	-	¾	-	¾	
Cincinnati -	par *a* ½	-	-	-	-	-	1	-	-	1		
Pittsburgh -	par *a* ½	par	par *a*	-	par *a* ⅛	-	par *a* ½	-	par *a* ½	-	par *a* ½	
Buffalo -	par *a* ½	par	-	-	-	-	-	-	-	-	par *a* ½	

APPENDIX No. 2—Continued.

	New York.		Baltimore.		Washington.		Richmond.		Norfolk.		Fayetteville.	
	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.
At Bank of the U. States	par a ⅛	par	par	par	par	par a	par	½	par	½	par	1
Office Portland -	par	par	-	par	-	par	-	½				-
Portsmouth -	par	par	-	½								
Boston -	par	par	-	par	-	½	-	½	-	½		
Providence -	par	par	-	par	-	½						
Hartford -	par	par	-	-	-	½	-	1				
New York -	-	-	par	par	par	½	-	¾	-	½		
Baltimore -	par	par	-	-	-	par	-	par	-	¼		
Washington -	par	par	par a ¼	par	-	-	par	par	par	-	par	
Richmond -	par a ½	par	par a ½	-	par a ½	-	-	-	par	-	par	
Norfolk -	par a ½	par	par a ½	par	par a ½	-	par	par	-	-	par	
Fayetteville -	par a ½	par	par a ½	par	par a ½	par	par a ½	par	par a ½	par		
Charleston -	par a ¼	¼	par a ¼	-	par a ¼	-	par a ¼	-	par a ¼	-	par a ⅓	
Savannah -	-	¾	-	¾	-	¼						
Mobile -	par a ½	1½	par a ½	1½	par a ½	1½	par	-	par a ½	-	par a ½	
New Orleans -	par a ½	1	par a ½	1	par	1	1	1				
St. Louis -	1	½	¾	½	-	1	1					
Nashville -	par a ½	¾	par a ½	-	par a ½	¾	par a ⅝	-	par a ½	-	par a ⅛	
Louisville -	par a ½	½	par a ½	-	par a ½	½	par a ½	-	par a ½	-	par a ⅓	
Lexington -	¾	par	¾	½	¾	1	¾	1	¾	-	¾	
Cincinnati -	1	1	par a ½	1	par a ½	-						
Pittsburgh -	par a ½	-	par a ½	-	par a ½	1	par a ½	-	par a ½			
Buffalo -	par a ½	par										

APPENDIX No. 2—Continued.

	Charleston.		Savannah.		Mobile.		New Orleans.		St. Louis.		Nashville.	
	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.
At Bank United States -	par *a* ½	¾	¾	1	1	1	1	1	par	1	par	¾
Office Portland -	-	-	-	-	-	-	-	½				
Portsmouth -												
Boston -	-	1	-	1	-	1	-	1				
Providence -	-	1	-	1	-	1	-	1	-	-	-	1
Hartford -	-	1	-	-	-	-	-	-	-	1		
New York -	par *a* ½	-	-	½	½ *a* 1	½ *a* 1	½ *a* 1	1	-	¾	-	¾
Baltimore -	-	1	-	1	-	-	-	1	..	1	-	1
Washington -	par	-	par	-	par	-	par	1	par	-	par	
Richmond -	par *a* ½	-	par *a* ½									
Norfolk -	par *a* ½	¾	par *a* ½	1	-	-	-	1	-	-	-	1
Fayetteville -	par *a* ½	-	par *a* ½	-	par *a* ½	-	par *a* ½	-	par *a* ½	-	par *a* ½	
Charleston -	-		par *a* ¼	-	par *a* ¼	-	par *a* ¼	-	par *a* ¼	-	par *a* ¼	
Savannah -												
Mobile -	par *a* ½	-	-	-	-	-	par *a* ½	½	-	-	par *a* ½	
New Orleans	1	1	-	-	-	1	-	-	par *a* ½	-	par *a* ½	¾
St. Louis -	-	-	-	-	-	-	par *a* ½	½	-	-	¾	
Nashville -	par *a* ½	-	par *a* ½	-	par *a* ½	-	par *a* ½	1	par *a* ½			
Louisville -	par *a* ½	-	par *a* ½	-	par *a* ½	-	par *a* ½	1	par *a* ½	1	par *a* ½	1
Lexington -	¾	1½	¾	1½	¾	-	¾	1	¾	1	¾	1½
Cincinnati -	-	-	-	-	-	1	par *a* ½	1	-	1	-	1
Pittsburgh -	-	-	-	-	-	-	½ *a* 1	1	par	1	par	1
Buffalo -												

APPENDIX No. 2—Continued.

	Louisville.		Lexington.		Cincinnati.		Pittsburgh.		Buffalo.	
	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.	Draughts sold.	Bills purchased.
At Bank United States -	par	¾	par	¾	par	¾	par a ½	½	par a ½	½
Office Portland -										
Portsmouth -										
Boston -	-	1	-	-	-	1	-	1		
Providence -										
Hartford -										
New York -	-	¾	-	¾	-	¾	-	¾	-	½
Baltimore -	-	1	-	-	-	1	-	½		
Washington -	par	-	par	1	par	-	par	par	par	
Richmond -										
Norfolk -										
Fayetteville -	par a ½	-	par a ½	-	par a ½	-	par a ½		par a ½	
Charleston -	par a ¼	-	par a ¼	-	par a ½	-	par a ¼		par a ¼	
Savannah -										
Mobile -	-	-	-	-	par a ½					
New Orleans	par a ½	1	par a ½	-	par a ½	1	par a ½			
St. Louis -	par a ½	½	par a ½	-	par a ½	½	⅛	½		
Nashville -	par a ½	-	par a ½	½	par a ½	¾	par a ½	-	par a ½	
Louisville -	-	-	par a ½	½	par a ½	-	par a ½	½	par a ½	
Lexington -	¾	½	-	-	¾	1	¾	1	¾	
Cincinnati -	par a ¼	½	par a ¼	-	-	-	par a ½	½		
Pittsburgh -	par	½	par	-	par	½	-	-	par a ½	
Buffalo -	-	-	-	-	-	-	par			

APPENDIX, No. 3.

LIST of Transfers directed by the Secretary of the Treasury from and to Bank United States and Offices, from 6th June to 14th Dec. 1829.

No.	Date.	Where from.	Where to.	Amount.
No. 1	June 8, 1829	New York - -	Washington - -	100,000
2	" "	Bank United States -	Ditto - -	50,000
3	" "	New York - -	Ditto - -	150,000
		Ditto - -	Bank United States -	1,865,000
		New Orleans - -	Ditto - -	75,000
		Louisville - -	Ditto - -	50,000
		Cincinnati - -	Ditto - -	115,000
		Bank United States -	Baltimore - -	135,000
		Ditto - -	Norfolk - -	80,000
		Ditto - -	Fayetteville - -	20,000
		Ditto - -	Charleston - -	200,000
		Ditto - -	Savannah - -	15,000
		Ditto - -	Mobile - -	35,000
		Portland - -	Portsmouth - -	20,000
		Ditto - -	Boston - -	90,000
		New York - -	Ditto - -	40,000
		Providence - -	New York - -	140,000
		Hartford - -	Ditto - -	35,000
		New York - -	Richmond - -	70,000
		Ditto - -	Charleston - -	80,000
		Cincinnati - -	Pittsburgh - -	15,000
31	July 8, "	New York - -	Washington - -	100,000
32	Aug. 3, "	Ditto - -	Ditto - -	100,000
33	" "	Baltimore - -	Ditto - -	50,000
	Sept. 1, "	New York - -	Ditto - -	100,000
	9, "	Louisville - -	Pittsburgh - -	20,000
	" "	Charleston - -	Fayetteville - -	10,000
	" "	Bank United States -	Norfolk - -	20,000
	" "	New York - -	Ditto - -	20,000
	" "	Louisville - -	Nashville - -	20,000
44	14, "	New York - -	Washington - -	100,000
45	" "	Boston - -	Ditto - -	40,000
47	21, "	Charleston - -	Fayetteville - -	20,000
49	Oct. 5, "	New York - -	Norfolk - -	50,000
50	12, "	Ditto - -	Washington - -	100,000
51	Nov. 2, "	Bank United States -	Norfolk - -	50,000
52	" "	New York - -	Washington - -	100,000
53		Boston - -	Ditto - -	50,000
63		Bank United States -	Norfolk - -	50,000
64		New York - -	Washington - -	100,000
65		Ditto - -	Norfolk - -	50,000
66		Ditto - -	Washington - -	100,000
67		Bank United States -	Ditto - -	100,000
68		Boston - -	Ditto - -	25,000
69	Dec. 14, 1829	Ditto - -	Bank United States -	500,000
70	" "	New York - -	Ditto - -	1,000,000
71	" "	New Orleans - -	Ditto - -	400,000
72	" "	Bank United States -	Baltimore - -	300,000
73	" "	Ditto - -	Charleston - -	50,000
74	" "	Savannah - -	Norfolk - -	50,000
				$7,055,000

From the above statement, the annual amount of the transfers made for the Government, free of expense, may be inferred.

APPENDIX No. 4.

DISTRIBUTION of Domestic Bills of Exchange, according to the latest statements, up to the 15th March, 1830.

The following Branches:	Have now running to maturity, the following amount of bills:	Payable at						
		Philadelphia.	Portland.	Portsmouth.	Boston.	Providence.	Hartford.	New York.
Philadelphia, -	911,518 81	-	-	7,500 00	43,729 62	15,877 60	8,956 09	283,242 83
Portland, - -	33,579 76	4,936 53	-	600 00	16,343 62	-	-	4,013 00
Portsmouth, -	43,073 95	-	-	-	28,659 01	-	-	14,414 94
Boston, - -	712,590 70	94,182 16	5,509 01	3,196 66	-	6,384 40	10,373 44	342,424 15
Providence, -	210,077 12	60,110 01	1,268 73	-	9,101 91	-	3,382 33	74,552 79
Hartford, - -	47,750 47	1,080 00	-	-	4,425 00	2,851 70	6,238 32	31,867 45
New York, - -	521,785 42	95,953 68	4,045 73	2,791 09	50,747 63	23,739 78	15,826 58	
Baltimore, - -	240,456 34	66,026 11	-	-	21,330 97	936 30	-	48,254 81
Washington, -	84,379 44	7,182 00	-	-	3,500 00	-	-	13,887 12
Richmond, - -	377,539 83	13,535 07	-	2,000 00	2,550 00	6,400 00	432 76	14,163 54
Norfolk, - -	167,165 27	25,041 05	6,163 19	657 56	5,790 52	5,197 01	-	44,826 34
Fayetteville, -	113,976 92	30,750 00	-	-	500 00	-	-	56,638 79
Charleston, -	513,051 12	14,327 32	5,454 69	1,251 68	202,103 96	15,721 88	1,964 00	202,262 52
Savannah, - -	251,613 12	18,762 99	-	-	39,959 35	29,800 88	2,000 00	153,255 72
Mobile, - -	677,526 28	6,610 15	-	-	86,273 69	25,799 79	-	352,582 99
New Orleans, -	1,303,600 96	55,775 84	881,40	-	297,760 53	24,690 04	-	391,623 45
St. Louis, - -	51,001 04	400 00	-	-	-	-	-	10,756 06
Nashville, - -	1,789,601 06	6,000 00	-	10,000 00	-			
Louisville, - -	669,966 60	13,104 94	-	-	641 64	-	-	3,220 00
Lexington, -	614,710 44	12,572 56	-	-	1,900 00	-	-	28,200 00
Cincinnati, - -	371,988 54	14,261 09	100 00	-	-	3,740 00	-	40,227 64
Pittsburgh, -	249,264 17	39,934 36	-	-	157 00	-	-	2,470 00
Buffalo, - -	160,171 15	358 33	-	-	-	-	-	115,561 75
	$10,116,388 51	$580,904 19	$23,422 75	$27,996 99	$815,474 45	$161,139 37	$49,173 52	$2,228,445 89

APPENDIX No. 4—Continued.

The following Branches:	Payable at Baltimore.	Washington.	Richmond.	Norfolk.	Fayetteville	Charleston.	Savannah.	Mobile.	New Orleans.
Philadelphia, -	103,731 52	37,652 01	33,688 55	2,873 68	211 78	15,055 31	4,507 19	2,923 27	34,744 99
Portland, -	-	3,000 00	3,286 61	-	-	-	-	-	1,300 00
Portsmouth, -									
Boston, -	81,719 97	3,666 37	3,718 71	997,78	-	46,577 45	16,152 29	7,142 17	42,474 22
Providence, -	34,527 26	400 00	-	-	375 00	13,042 27	7,404 02	400 00	2,895,03
Hartford, -	-	1,000 00		-					
New York, -	51,552 48	5,160 41	2,785 71	1,173 90	1,661 18	16,268 04	21,209 50	26,210 21	105,074 56
Baltimore, -	-	25,496 56	6,699 73	6,420 98	-	365 96	3,012 38		
Washington, -	35,154 86	-	-	-	-	1,000 00	-	-	14,405 46
Richmond, -	12,715 88	6,944 46	-	39,737 88	16,119 39	58,833 27	43,765 01	56,445 25	26,575 00
Norfolk, -	5,066 80	7,000 00	19,573 65	26,649 08	1,872 76	2,144 90	1,762 06	-	2,000 00
Fayetteville, -	-	2,000 00		455 00	-	-	-	-	3,200 00
Charleston, -	33,469 87	2,034 63	1,465 26	3,165 52	-	-	5,679 60	-	24,150 20
Savannah, -	1,124 50	3,399 68	-	850 00	-	1,960 00	-	-	500 00
Mobile, -	26,323 11	500 00	-	-	-	-	-	-	173,157 34
New Orleans, -	60,339 21	2,771 25	53,409 18	-	-	6,300 00	-	133,572 01	
St. Louis, -	4,080 00	250 00	-	-	-	-	-	-	8,775 00
Nashville, -	-	1,050 00	-	-	-	-	-	11,788 50	1,748,937 81
Louisville, -	8,550 00	9,617 13	-	-	-	-	700 00	9,745 72	416,939 93
Lexington, -	5,500 00	8,838 33	14,957 84	-	-	23,202 50	14,200 00	100 00	297,390 45
Cincinnati, -	47,700 00	180 00	-	-	-	-	2,768 00	13,628 74	97,755 92
Pittsburgh, -	10,052 73	4,837 50	-	-	-	-	-	-	8,106 82
Buffalo, -									
	$521,608,19	$125,798 33	$139,582 24	$82,323 82	$20,240 11	$184,749 70	$121,160 05	$261,955 87	$3,008,382 73

APPENDIX No. 4—Continued.

The following Branches:	Payable at St. Louis.	Nashville.	Louisville.	Lexington.	Cincinnati.	Pittsburgh.	Buffalo.	Various other places.
Philadelphia, -	15,773 38	50,726 05	122,201 22	15,172 05	74,397 22	25,006 52	-	13,550 93
Portland, - -	-	-	-	-	-	-	-	100 00
Portsmouth, -								
Boston, -	-	-	27,131 98	-	19,524 90	571 87	-	843 17
Providence, -	-	203 00	-	-	-	-	-	2,414 77
Hartford, - -	288 00	-						
New York, -	2,041 41	29,209 24	10,853 11	402 12	30,451 98	1,684 73	4,157 77	18,784 58
Baltimore, - -	13,221 59	7,235 05	6,199 34	-	16,679 73	18,454 88	-	121 95
Washington, -	-	5,550 00	1,600 00	950 00	-	500 00	-	650 00
Richmond, -	4,810 76	13,645 37	4,056 61	963 88	30,794 85	796 09	-	22,254 76
Norfolk, - -	-	-	-	-	-	-	-	13,420 35
Fayetteville, -	-	-	-	-	-	-	-	20,433 13
Charleston - -								
Savannah, - -								
Mobile, - -	-	-	-	-	-	-	-	6,279 21
New Orleans, -	4,486 47	62,886 36	125,425 22	2,815 50	12,605 85	9,436 90	-	58,821 75
St. Louis, - -	-	-	19,417 99	-	4,650 00	2,671 99		
Nashville, - -	-	-	2,950 30	2,375 38	4,653 65	1,945 42		
Louisville, - -	14,331 79	79,179 65	-	13,948 14	18,728 35	36,738 16	-	44,521 15
Lexington, -	1,000 00	36,743 39	101,652 81		27,045 20	800 00	-	40,607 36
Cincinnati, - -	11,648 57	24,027 83	66,814 24	596 71	-	26,544 53	-	21,995 27
Pittsburgh, -	7,452 12	31,277 67	49,149 70	467 38	65,926 81	-	-	29,372 08
Buffalo, - -	-	-	-	-	-	-	-	44,251 07
	$75,054 09	$340,683 61	$537,452 52	37,691 16	$305,418 54	125,151 09	$4,157 77	$ 338,421 53

STATE OF THE BANK OF THE UNITED STATES,

APRIL 1, 1830.

Notes discounted	$32,138,270	89
Domestic bills discounted	10,506,882	54
Funded debt held by the bank	11,122,530	90
Real estate	2,891,890	75
Funds in Europe, equal to specie	2,789,498	54
Specie	9,043,748	97
Public deposites	8,905,501	87
Private deposites	7,704,256	87
Circulation	*16,083,894	00

* This is the circulation from the office returns. We know, however, that a part of it is received at other offices, and is in passage from one to the other. So that the nett circulation is $14,176,927.