

recommending an increased duty on them; but it does not satisfactorily appear that these advantages are peculiar to boilers, and that equal advantages do not attach to some stills over others, owing to late improvements in their construction. Such is undoubtedly the variety in the forms and modes of operation of the several descriptions of vessels used in the United States for the purposes of distillation, in their productive powers, and in the expense with which they are worked, that the existing duty is relatively light on some, compared with other stills, and on some, compared with other boilers, as well as on some boilers compared with some stills. This effect, it will be perceived, is altogether independent of the duty, and is incident to the superior improvements of the one kind of vessel over the other. The boilers, it is to be added, being of recent introduction, possess, so far as applicable to them, all the improvements made in stills.

From an inspection of the whole number of licenses ascertained to have been granted in all the collection districts during the two first quarters of the present year, and in seventy districts for the third quarter, it appears that there have been granted 18,846 licenses for stills, and 542 for boilers; of which number there have been granted in the State of Connecticut, 425 for stills, and 26 for boilers.

It is certainly desirable that a just equality should characterise the duty on stills and boilers. A just equality cannot, however, require the imposition of such a duty as would tend in any way to disturb the relative benefits attendant on different descriptions of vessels which would be used independent of the existence of the duty, much less to deprive ingenuity of the stimulus to improvement which it reasonably finds in the profit that flows from such improvement.

Upon the whole, as the contemplated duty on the gallon of spirits distilled within the United States will, in some degree, overcome any inequality in the present duty, and as more experience of the operation of the present duty is required to ascertain the nature and extent of any existing inequalities, I am of the opinion that it would be inexpedient at this time to vary the proportion between the duty on stills and boilers.

I am, with great respect, your obedient servant,

S. H. SMITH, *Commissioner of the Revenue.*

Hon. JOHN W. EPPES, *Chairman of the Committee of Ways and Means.*

13th CONGRESS.]

No. 442.

[3d SESSION.]

BANK OF THE UNITED STATES.

COMMUNICATED TO THE SENATE, JANUARY 30, 1815.

To the Senate of the United States:

Having bestowed on the bill, entitled "An act to incorporate the subscribers to the Bank of the United States of America," that full consideration which is due to the great importance of the subject, and dictated by the respect which I feel for the two Houses of Congress, I am constrained by a deep and solemn conviction that the bill ought not to become a law, to return it to the Senate, in which it originated, with my objections to the same.

Waiving the question of the constitutional authority of the legislature to establish an incorporated bank, as being precluded, in my judgment, 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, the proposed bank does not appear to be calculated to answer the purposes of reviving the public credit, of providing a national medium of circulation, and of aiding the treasury, by facilitating the indispensable anticipations of the revenue, and by affording to the public more durable loans.

1. The capital of the bank is to be compounded of specie, of public stock, and of treasury notes convertible into stock, with a certain proportion of each, of which every subscriber is to furnish himself.

The amount of the stock to be subscribed, will not, it is believed, be sufficient to produce, in favor of the public credit, any considerable or lasting elevation of the market price, whilst this may be occasionally depressed by the bank itself, if it should carry into the market the allowed proportion of its capital, consisting of public stock, in order to procure specie, which it may find its account in procuring, with some sacrifice on that part of its capital.

Nor will any adequate advantage arise to the public credit from the subscription of treasury notes. The actual issue of these notes nearly equals, at present, and will soon exceed, the amount to be subscribed to the bank. The direct effect of this operation is simply to convert fifteen millions of treasury notes into fifteen millions of six per cent. stock, with the collateral effect of promoting an additional demand for treasury notes beyond what might otherwise be negotiable.

Public credit might, indeed, be expected to derive advantage from the establishment of a national bank, without regard to the formation of its capital, if the full aid and co-operation of the institution were secured to the Government during the war, and during the period of its fiscal embarrassments. But, the bank proposed will be free from all legal obligation to co-operate with the public measures; and, whatever might be the patriotic disposition of its directors, to contribute to the removal of those embarrassments, and to invigorate the prosecution of the war, fidelity to the pecuniary general interest of the institution, according to their estimate of it, might oblige them to decline a connexion of their operations with those of the national treasury, during the continuance of the war, and the difficulties incident to it. Temporary sacrifices of interest, though overbalanced by the future and permanent profits of the charter, not being requirable of right in behalf of the public, might not be gratuitously made; and the bank would reap the full benefit of the grant whilst the public would lose the equivalent expected from it. For it must be kept in view, that the sole inducement to such a grant, on the part of the public, would be the prospect of substantial aids to its pecuniary means, at the present crisis, and during the sequel of the war. It is evident that the stock of the bank will, on the return of peace, if not sooner, rise in the market to a value, which, if the bank were established in a period of peace, would authorize, and obtain for the public, a bonus to a very large amount. In lieu of such a bonus, the Government is fairly entitled to, and ought not to relinquish or risk, the needful services of the bank, under the pressing circumstances of war.

2. The bank, as proposed to be constituted, cannot be relied on, during the war, to provide a circulating medium, nor to furnish loans, or anticipations of the public revenue.

Without a medium, the taxes cannot be collected, and, in the absence of specie, the medium understood to be the best substitute, is that of notes issued by a national bank. The proposed bank will commence and conduct its operations, under an obligation to pay its notes in specie, or be subject to the loss of its charter. Without such an obligation, the notes of the bank, though not exchangeable for specie, yet resting on good pledges, and performing the uses of specie, in the payment of taxes, and in other public transactions, would, as experience has ascertained, qualify the bank to supply at once a circulating medium, and pecuniary aids to the Government. Under the fetters imposed by the bill, it is manifest, that, during the actual state of things, and probably during the war, the period particularly requiring such a medium, and such a resource for loans and advances to the Government, notes, for which the bank

would be compellable to give specie in exchange, could not be kept in circulation. The most the bank could effect, and the most it could be expected to aim at, would be to keep the institution alive, by limited and local transactions, which, with the interest on the public stock in the bank, might yield a dividend sufficient for the purpose, until a change from war to peace should enable it, by a flow of specie into its vaults, and a removal of the external demand for it, to derive its contemplated emoluments from a safe and full extension of its operations.

On the whole, when it is considered that the proposed establishment, will enjoy a monopoly of the profits of a national bank, for a period of twenty years; that the monopolized profits will be continually growing, with the progress of the national population and wealth; that the nation will, during the same period, be dependent on the notes of the bank for that species of circulating medium, whenever the precious metals may be wanted, and at all times for so much thereof as may be an eligible substitute for a specie medium; and that the extensive employment of the notes in collection of the augmented taxes will, moreover, enable the bank greatly to extend its profitable issues of them, without the expense of specie capital to support their circulation; it is as reasonable, as it is requisite, that the Government, in return for these extraordinary concessions to the bank, should have a greater security for attaining the public objects of the institution, than is presented in the bill, and particularly for every practicable accommodation, both in the temporary advances necessary to anticipate taxes, and in those more durable loans which are equally necessary to diminish the resort to taxes.

In discharging this painful duty of stating objections to a measure, which has undergone the deliberations, and received the sanction of the two Houses of the national Legislature, I console myself with the reflection, that, if they have not the weight which I attach to them, they can be constitutionally overruled; and, with a confidence that, in a contrary event, the wisdom of Congress will hasten to substitute a more commensurate and certain provision for the public exigencies.

JAMES MADISON.

WASHINGTON, January 30, 1815.

AN ACT TO INCORPORATE THE SUBSCRIBERS TO THE BANK OF THE UNITED STATES OF AMERICA.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a Bank of the United States of America shall be established, the capital stock of which shall be thirty millions of dollars, divided into three hundred thousand shares, of one hundred dollars each share; and that subscriptions for thirty millions of dollars, towards constituting the said capital stock, shall be opened, on the last Monday of February next, at the following places, viz: at Portland, in Maine, Portsmouth, in New Hampshire, Windsor, in Vermont, Boston, Providence, New Haven, New York, New Brunswick, in New Jersey, Philadelphia, Baltimore, the city of Washington, Richmond, Raleigh, Charleston, Savannah, Lexington, in Kentucky, Nashville, in Tennessee, Chillicothe, in Ohio, and New Orleans, under the superintendence of the following persons, as commissioners to receive the same: at Portland, Matthew Cob, Isaac Isley, Joshua Wingate, junior; at Portsmouth, John Goddard, Nathaniel A. Haven, Henry S. Langdon; at Windsor, Elias Lyman, William Levet, Eleazer May; at Boston, Israel Thorndike, Thomas H. Perkins, William Gray, Aaron Hill, Samuel Brown; at Providence, Seth Wheaton, Ebenezer K. Dexter, Henry Smith; at New Haven, Abraham Bishop, William W. Woolsey, Henry Jones; at New York, Robert Troup, William Paudling, junior, Robert Lenox, John Jacob Astor, Samuel Tooker, Isaac Bionson, Henry A. Coster; at New Brunswick, James Vanderpool, John Bray, Peter Gordon; at Philadelphia, Jared Ingersoll, Thomas M. Willing, Stephen Girard, Chandler Price, Anthony Taylor, John Sergeant, Cadwallader Evans; at Baltimore, James A. Buchanan, Henry Payson, William Wilson; at the city of Washington, John Mason, Robert Brent, John P. Van Ness; at Richmond, Benjamin Hatcher, John Blockenborough, John Preston; at Raleigh, Sherwood Haywood, Beverly Daniel, William Peace; at Charleston, John C. Faber, Thomas Jones, Stephen Elliot, Charles B. Cochran, Thomas Blackwood; at Savannah, John Bolton, Charles Harris, James Johnson; at Lexington, in Kentucky, Charles Wilkins, Lewis Sanders, John H. Morton; at Nashville, Robert Weakly, Felix Grundy, John R. Bedford; at Chillicothe, Samuel Finley, Thomas Janies, William M'Farland; at New Orleans, Dominick A. Hall, Benjamin Morgan, Paul Lanuse, Thomas L. Hartman, and William Flood: which subscriptions shall continue open every day, from the time of opening the same, from ten o'clock in the forenoon, until four o'clock in the afternoon, until the Saturday following, at four o'clock in the afternoon, when the same shall be closed; and immediately thereafter, the commissioners, or any two of them, at the respective places aforesaid, shall cause two transcripts or fair copies of such subscriptions to be made, one of which they shall send to the Secretary of the Treasury, one they shall retain, and the original shall, within three days from the closing of the same, be by the said commissioners transmitted to the said commissioners at Philadelphia, or to one of them; and on the receipt thereof, the said commissioners at Philadelphia, or any three of them, shall immediately thereafter convene and proceed to take an account of the said subscriptions; and if more than the amount of thirty millions of dollars shall have been subscribed, then the said last mentioned commissioners shall apportion the same among the several subscribers, according to their several and respective subscriptions: *Provided, however,* That such commissioners shall, by such apportionment, allow and apportion to each subscriber at least one share; and, in case the aggregate amount of the said subscriptions shall exceed thirty millions of dollars, the said commissioners, after having apportioned the same as aforesaid, shall cause lists of the said apportioned subscriptions to be made out, including in each list the apportioned subscription for the place where the original subscription was made, one of which lists shall be transmitted to the commissioners, or to one of the commissioners, under whose superintendence such subscriptions were originally made, that the subscribers may ascertain from them the number of shares apportioned to such subscribers, respectively; and, if the amount of thirty millions of dollars shall not be subscribed during the period aforesaid, at all the places aforesaid, the subscription to complete the said sum shall afterwards be and remain open at Philadelphia, under the superintendence of the said commissioners appointed at that place and the subscription may be then made by any corporation, copartnership, or person, for any number of shares not exceeding the amount required to complete the said sum of thirty millions of dollars. And, in case of the death, or refusal to serve, of any of the commissioners aforesaid, it shall be lawful for the President of the United States to supply the vacancy or vacancies thus created, by appointing some suitable person or persons.

S. C. 2. And be it further enacted, That it shall be lawful for any person, copartnership, or body politic, to subscribe for so many shares of the said capital stock of the said bank, as he, she, or they, shall think fit, not exceeding three thousand shares, except as is hereinafter provided for the subscription on behalf of the United States, and the sums respectively subscribed, except on behalf of the United States, as is hereinafter provided, shall be payable in the manner following; that is to say: five millions of dollars thereof in gold or silver coin of the United States, or of foreign coin at the value heretofore established by the act of Congress, entitled "An act regulating the currency of foreign coins," passed the tenth day of April, one thousand eight hundred and six; ten millions of dollars thereof in gold or silver coin, as aforesaid, or in the public debt of the United States, contracted by virtue of the act of Congress, entitled "An act authorizing the loan for a sum not exceeding eleven millions of dollars," passed the fourteenth day of March, one thousand eight hundred and twelve, or contracted, or to be contracted, by virtue of any subsequent act and acts of Congress heretofore passed, authorizing a loan or loans; and fifteen millions of dollars thereof in gold or silver coin, or in treasury notes, issued under the act of Congress, entitled "An act to authorize the issuing of treasury notes," passed the thirtieth day of June, one thousand eight hundred and twelve, or issued, or to be issued, under the authority of any subsequent act or acts of congress, authorizing, or which shall authorize, treasury notes to be issued, previously to the final closing of the subscriptions to the said bank. And the said payment shall be made and completed in the sums and at the times hereinafter declared, that is to say: at the time of subscribing there shall be paid six dollars and sixty-six cents and two-thirds of a cent on each share, in gold or silver coin; twenty dollars in the treasury notes aforesaid; and thirteen dollars thirty-three cents and one-third of a cent in the public debt of the United States, contracted, or to be contracted, as aforesaid; at the expiration of four calendar months after the time of subscribing there shall be paid the further sum of three dollars thirty-three

cents and one-third of a cent on each share, in gold or silver coin; ten dollars in the treasury notes aforesaid; and six dollars sixty-six cents and two-thirds of a cent in the public debt of the United States, contracted or to be contracted as aforesaid: at the expiration of six calendar months from the time of subscribing, there shall be paid the further sum of three dollars thirty-three cents and one-third of a cent on each share, in gold or silver coin; ten dollars in the treasury notes aforesaid; and six dollars sixty-six cents and two-thirds of a cent in the public debt of the United States, contracted, or to be contracted, as aforesaid: at the expiration of eight calendar months from the time of subscribing, there shall be paid the further sum of three dollars thirty-three cents and one-third of a cent, in gold or silver coin; ten dollars in the treasury notes aforesaid; and six dollars sixty-six cents and two-thirds of a cent in the public debt of the United States, contracted, or to be contracted, as aforesaid. And the subscriptions in public stock and treasury notes, as aforesaid, shall be taken and credited for the principal and so much of the interest thereof, respectively, as shall have accrued on the day of subscribing the same. And, at the time of subscribing to the capital stock of the said bank, as aforesaid, each and every subscriber shall deliver to the commissioners at the place of subscribing, as well the specie amount of their subscriptions, respectively, as the certificates of stock for the stock proportion of their subscriptions, respectively, together with a power of attorney authorizing the said commissioners, or a majority of them, to transfer the said stock, in due form of law, to "The President, Directors, and Company, of the said Bank of the United States of America," as soon as the said bank shall be organized; and, also, treasury notes for the proportion of the subscriptions, respectively, payable in treasury notes as aforesaid: *Provided, always,* That if, in consequence of the apportionment of shares in the said bank among the subscribers, in the case and in the manner hereinbefore prescribed, any subscriber shall have delivered to the commissioners, at the time of subscribing, a greater amount of specie, stock, and treasury notes, than shall be necessary to complete the payments for the share or shares to such subscriber, apportioned as aforesaid, the commissioners shall only retain so much of the said money, stock, and treasury notes, as shall be necessary to complete such payments, and shall forthwith return, on application for the same, the surplus thereof to the subscriber lawfully entitled thereto. And the commissioners respectively shall deposit the gold and silver, certificates of stock, and treasury notes, by them respectively received, as aforesaid, from the subscribers to the said bank, in some place of secure and safe keeping, so that the same may and shall be specifically delivered and transferred, as the same were by them respectively received, to the said president, directors, and company, of the said Bank of the United States of America, or to their order, as soon as shall be required after the organization of the said bank.

SEC. 3. And be it further enacted, That the United States may, at any time before the expiration of this act, in pursuance of any law which may be passed by Congress for that purpose, cause to be subscribed, for the use of the United States, to said bank, fifty thousand additional shares, to be paid in public stock, bearing an interest of four per cent. per annum, redeemable in any sums, and at any periods, which the Government may deem fit.

SEC. 4. And be it further enacted, That whenever and as often as any of the treasury notes, subscribed as aforesaid, to the said capital stock of the said bank, shall be due and payable, it shall be lawful for the Secretary of the Treasury (and he is hereby authorized and required) to pay and redeem the same, principal and interest, by causing certificates of public stock for an equal amount, bearing an interest of six per cent. per annum, and redeemable in any sums, and at any periods, which the Government may deem fit, to be prepared and made in the usual form, and the same to be delivered to the president and directors of the said bank, in satisfaction and discharge of such treasury notes.

SEC. 5. And be it further enacted, That the subscribers to the said Bank of the United States of America, their successors and assigns, shall be, and are hereby created, a corporation and body politic, by the name and style of "The President, Directors, and Company, of the Bank of the United States of America," and shall so continue until the third day of March, in the year one thousand eight hundred and thirty-five; and by that name shall be, and are hereby made, able and capable in law, to have, purchase, receive, possess, enjoy, and retain, to them and their successors, lands, rents, tenements, hereditaments, goods, chattels, and effects, of whatsoever kind, nature, and quality, to an amount not exceeding in the whole thirty five millions of dollars, including the amount of the capital stock aforesaid; and the same to sell, grant, demise, alien, or dispose of, to sue and be sued, plead, and be impleaded, answer and be answered, defend and be defended, in all courts and places whatsoever; and also to make, have, and use, a common seal, and the same to break, alter, and renew, at their pleasure; and, also, to ordain, establish, and put in execution, such by-laws and ordinances, and regulations, as they shall deem necessary and convenient, for the Government of the said corporation, not being contrary to the constitution and laws of the United States; and generally to do and execute all and singular the acts, matters, and things, which to them shall or may appertain to do; subject, nevertheless, to the rules, regulations, restrictions, limitations, and provisions, hereinafter prescribed and declared.

SEC. 6. And be it further enacted, That, for the management of the affairs of the said corporation, there shall be twenty-five directors, who shall be elected at the banking house in Philadelphia, on the first Monday of January, in each year, by the stockholders or proprietors of the capital stock of the said corporation, and by a plurality of votes then and there actually given, according to the scale of voting hereinafter prescribed. And the directors, so duly chosen, shall be capable of serving by virtue of such choice, until the end or expiration of the first Monday in January next ensuing the time of such election, and no longer: *Provided, always,* That the first election and appointment of directors shall be at the time, and for the period, hereinafter declared.

SEC. 7. And be it further enacted, That, as soon as the sum of twelve millions of dollars in gold and silver coin, and in the public debt and treasury notes, shall have been actually received on account of the subscriptions to the said capital stock, (exclusively of the subscription aforesaid on the part of the United States) notice thereof shall be given by the persons under whose superintendence the subscriptions shall have been made at Philadelphia, in at least two public newspapers, printed in each of the places where subscriptions shall have been made; and the said persons shall, at the same time, and in like manner, notify a time and place, within the said city of Philadelphia, at the distance of at least twenty days from the time of such notification, for proceeding to the election of directors as aforesaid; and it shall be lawful for such election to be then and there made. And the persons who shall be then and there chosen, as aforesaid, shall be the first directors, and shall proceed to elect one of their number president of the said corporation, and they shall be capable of serving, by virtue of such choice, until the end and expiration of the first Monday of January next ensuing the time of making the same, and shall forthwith, thereafter, commence the operations of the said bank, at the said city of Philadelphia: *Provided, always,* That in case it should at any time happen, that at an election of directors and president of the said corporation should not be made upon any day when, in pursuance of this act, they ought to be made, the said corporation shall not for that cause be deemed to be dissolved; but it shall be lawful on any other day to hold and make an election of directors and president of the said corporation, (as the case may be) in such manner as shall have been regulated by the by-laws and ordinances of the said corporation; and, until such election be so made, the directors and president, for the time being, shall continue in office: *And provided, also,* That, in case of the death, resignation, or removal, of the president of the said corporation, the directors shall proceed to elect another president: *And provided, also,* That in case of the death, resignation, or absence from the United States, or removal of a director from office, the vacancy shall be supplied by the stockholders.

SEC. 8. And be it further enacted, That the directors, for the time being, shall have power to appoint such officers, clerks, and servants, under them, as shall be necessary for executing the business of the said corporation, and to allow them such compensation for their services, respectively, as shall be reasonable; and shall be capable of exercising such other powers and authorities for the well governing and ordering of the affairs of the said corporation, as shall be prescribed, fixed, and determined, by the laws, regulations, and ordinances, of the same.

SEC. 9. And be it further enacted, That the following rules, restrictions, limitations, and provisions, shall form and be fundamental articles of the constitution of the said corporation, to wit:

1. The number of votes to which the stockholders shall be entitled, in voting for directors, shall be according to the number of shares he, she, or they, respectively, shall hold, in the proportions following, that is to say: for one share, and not more than two shares, one vote; for every two shares above two, and not exceeding ten, one vote;

for every four shares above ten, and not exceeding thirty, one vote; for every six shares above thirty, and not exceeding sixty, one vote; for every eight shares above sixty, and not exceeding one hundred, one vote; and for every ten shares above one hundred, one vote. But no person, copartnership, or body politic, shall be entitled to a greater number than thirty votes; and after the first election, no share or shares shall confer a right of voting, which shall not have been helden three calendar months previous to the day of election. And stockholders actually resident within the United States, and none other, may vote in election by proxy.

2. Not more than three-fourths of the directors in office, at the time of an annual election, shall be elected for the next succeeding year, and no person shall be a diirector more than three out of four years; but the director who shall be the president at the time of an election, may always be re-elected.

3. None but a resident citizen of the United States, and holding at the time of his election not less than ten shares, bona fide in his own right, shall be a director; and if any director shall cease to be a stockholder to that amount, he shall cease to be a director.

4. No director shall be entitled to any emolument. The stockholders may make such compensation to the president, for his extiaordinary attendance at the bank, as shall appear to them reasonable.

5. Not less than seven directors shall constitute a board for the transaction of business, of whom the president shall always be one, except in case of sickness or necessary absence, in which case his place may be supplied by any other director whom he, by writing, under his hand, shall depute for the purpose. And the director so deputed, may do and transact all the necessary business belonging to the office of a president of the said corporation, during the continuance of the sickness or necessary absence of the president.

6. A number of stockholders, not less than sixty, who, together, shall be proprietors of one thousand shares or upwards, shall have power at any time to call a general meeting of the stockholders, for purposes relative to the institution, giving at least ten weeks' notice in two public newspapers of the place where the bank is seated, and specifying in such notice the object or objects of such a meeting.

7. Every cashier or treasurer, before he enters upon the duties of his office, shall be required to give bond, with two or more sureties, to the satisfaction of the directors, in a sum not less than fifty thousand dollars, with a condition for his good behavior, and the faithful performance of his duties to the corporation.

8. The lands, tenements, and hereditaments, which it shall be lawful for the said corporation to hold, shall be only such as shall be requisite for its immediate accommodation in relation to the convenient transacting of its business, and such as shall have been bona fide mortgaged to it by way of security, or conveyed to it in satisfaction of debts previously contracted in the course of its dealings, or purchased at sales upon judgments which shall have been obtained for such debts.

9. The total amount of debts which the said corporation shall at any time owe, whether by bond, bill, note, or other contract, over and above the debt or debts due for money deposited in the bank, shall not exceed the sum of thirty millions of dollars, unless the contracting of any greater debt shall have been previously authorized by a law of the United States. In case of excess, the directors under whose administration it shall happen, shall be liable for the same, in their natural and private capacities, and an action of debt may, in such case, be brought against them, or any of them, their or any of their heirs, executors, or administrators, in any court of record of the United States, or either of them, by any creditor or creditors of the said corporation, and may be prosecuted to judgment and execution, any condition, covenant, or agreement, to the contrary notwithstanding. But this provision shall not be construed to exempt the said corporation, or the lands, tenements, goods, or chattels, of the same, from being also liable for, and chargeable with, the said excess. Such of the said directors who may have been absent when the said excess was contracted or created, or who may have dissented from the resolution or act whereby the same was so contracted or created, may respectively exonerate themselves from being so liable, by forthwith giving notice of the fact, and of their absence or dissent, to the President of the United States, and to the stockholders, at a general meeting, which they shall have power to call for that purpose.

10. The said corporation shall not, directly or indirectly, deal or trade in any thing except bills of exchange, gold or silver bullion, or in the sale of goods really and truly pledged for money lent, and not redeemed in due time, or goods which shall be the proceeds of its lands. It shall not be at liberty to purchase any public debt whatsoever; nor shall it take more than at the rate of six per cent. per annum for or upon its loans or discounts.

11. The said corporation shall not, in any one year, sell any portion of the public debt constituting a part of its capital stock aforesaid, to an amount exceeding five millions of dollars, without the consent of Congress.

12. No loan shall be made by the said corporation, for the use, or on account, of the Government of the United States, to an amount exceeding five hundred thousand dollars; or of any particular State, to an amount exceeding fifty thousand dollars; or to any foreign Prince or State, unless previously authorized by a law of the United States.

13. The stock of the said corporation shall be assignable and transferable according to such rules as shall be instituted in that behalf, by the laws and ordinances of the same.

14. The bills obligatory and of credit, under the seal of the said corporation, which shall be made to any person or persons, shall be assignable by endorsement thereupon, under the hand or hands of such person or persons, and his, her, or their executors or administrators, and of his, her, or their assignee or assignees, and the executors or administrators of such assignee or assignees, and so as absolutely to transfer and vest the property thereof in each and every assignee or assignees successively, and to enable such assignee or assignees, and his, her, or their executors or administrators, to maintain an action therupon in his, her, or their own name or names. And the bills or notes which may be issued by order of the said corporation, signed by the president, and countersigned by the principal cashier or treasurer thereof, promising the payment of money to any person or persons, his, her, or their order, or to bearer, although not under the seal of the said corporation, shall be binding and obligatory upon the same, in the like manner, and with the like force and effect, as upon any private person or persons, if issued by him, her, or them, in his, her, or their private or natural capacity or capacities, and shall be assignable and negotiable in like manner as if they were so issued by such private person or persons; that is to say: those which shall be payable to any person or persons, his, her, or their order, shall be assignable by endorsement, in like manner, and with the like effect, as foreign bills of exchange now are; and those which are payable to bearer, shall be assignable and negotiable by delivery only.

15. Half yearly dividends shall be made of so much of the profits of the bank as shall appear to the directors advisable; and once in every three years, the diectors shall lay before the stockholders, at a general meeting, for their information, an exact and particular statement of the debts which shall have remained unpaid after the expiration of the original credit, for a period of treble the term of that credit, and of the surplus of profits, if any, after deducting losses and dividends. If there shall be a failure in the payment of any part of any sum subscribed by any person, copartnership, or body politic, the party failing shall lose the benefit of any dividend which may have accrued prior to the time for making such payment, and during the delay of the same.

16. The directors of said corporation shall be bound to establish a competent office of discount and deposite in the District of Columbia, whenever any law of the United States shall require such establishment; and it shall be lawful for the said diectors to establish offices wheresoever they shall think fit, within the United States or the territories thereof, for the purposes of discount, deposite, and distribution; or for the purposes of deposite and distribution only: and upon the same terms, and in the same manner, as shall be practised at the bank; and to commit the management of the said offices, and the business thereof respectively, to such persons, and under such regulations, as they shall deem proper, not being contrary to law or to the constitution of the bank. Or, instead of establishing such offices, it shall be lawful for the directors of the said corporation, from time to time, to employ any other bank or banks, at any place or places that they may deem safe and proper, to manage and transact the business proposed as aforesaid to be managed and transacted by such offices, under such agreements, and subject to such regulations, as they shall deem just and proper. But the managers or directors of every office of discount, deposite, and distribution, established as aforesaid, shall be annually appointed by the directors of the bank, to serve one year; each of them shall be a citizen of the United States, and shall hold, at the time of his appointment, not less than five shares in the said bank, bona fide in his own right; and if he shall cease to be a stockholder to that amount, he shall cease to be a manager or director of such office of discount, deposite, and distribution; and not more than three-fourths

of the said managers or directors in office at the time of an annual appointment, shall be re-appointed for the next succeeding year; nor shall any person be a manager or director for more than three out of four years; but the president may be always re-appointed.

17. The said corporation, all offices of discount, deposite, and distribution, and of deposite and distribution only, which shall be established by the said directors as aforesaid, and all banks by the said directors employed in lieu of such officers as aforesaid, shall be bound to receive, upon deposite, the treasury notes of the United States which have been, or may be hereafter, issued by virtue of any law or laws of the United States; but it shall be optional with the said corporation to pay and discharge the checks or drafts of the persons making such deposite, in treasury notes, for the amount thereof, either in gold or silver coin, or in the notes of the bank, or in treasury notes. And all banks by the said directors employed as aforesaid, in lieu of the offices aforesaid, shall be further bound to receive on deposite, and to circulate, the notes of the said corporation, on the same terms, and in the same manner, as the notes of the said banks respectively are received and circulated; and, from time to time, issue and exchange for the said notes of the said corporation, other notes of the said corporation, or the notes of the said banks respectively, or treasury notes, at the option of the persons applying for such issue or exchange. The said corporation shall, at all times, distribute among the offices of discount, deposite, and distribution, and of deposite and distribution only, and at all the banks employed in lieu of such offices as aforesaid, a sufficient sum, in the various denominations of the notes of the said corporation, and in the treasury notes which it may receive upon deposite from the Government, to answer the demand therefor, and to establish a sufficient circulating medium throughout the United States and the territories thereof.

18. The officer at the head of the Treasury Department of the United States shall be furnished, from time to time, as often as he may require, not exceeding once a week, with statements of the amount of capital stock of the said corporation, and of the debts due to the same; of the moneys deposited therein; of the notes in circulation; and of the cash in hand; and shall have a right to inspect such general accounts in the books of the bank as shall relate to the said statement: *Provided*, That this shall not be construed to imply a right of inspecting the account of any private individual or individuals with the bank.

Sec. 10. And be it further enacted, That if the said corporation, or any person or persons for or to the use of the same, shall deal or trade in buying or selling any goods, wares, merchandise, or commodities whatsoever, contrary to the provisions of this act, all and every person and persons by whom any order or direction for so dealing or trading shall have been given, and all and every person and persons who shall have been concerned as parties or agents therein, shall forfeit and lose treble the value of the goods, wares, merchandises, and commodities, in which such dealing and trade shall have been; one half thereof to the use of the informer, and the other half thereof to the use of the United States, to be recovered in any action of law, with costs of suit.

Sec. 11. And be it further enacted, That if the said corporation shall advance or lend any sum of money, for the use or on account of the Government of the United States, to an amount exceeding three hundred thousand dollars; or of any particular State, to an amount exceeding fifty thousand dollars; or of any foreign Prince or State, (unless previously authorized thereto by a law of the United States) all and every person and persons, by and with whose order, agreement, consent, approbation, and connivance, such unlawful advance or loan shall have been made, upon conviction thereof, shall forfeit and pay, for every such offence, treble the value or amount of the sum or sums which shall have been so unlawfully advanced or lent; one-fifth thereof to the use of the informer, and the residue thereof to the use of the United States.

Sec. 12. And be it further enacted, That the bills or notes of the said corporation, originally made payable, or which shall have become payable, on demand, shall be receivable in all payments to the United States, until otherwise directed by act of Congress.

Sec. 13. And be it further enacted, That if the subscriptions and payments to the said bank shall not be made and completed, so as to enable the same to commence its operations, or if the said bank shall not commence its operations on or before the first day of March, one thousand eight hundred and sixteen, then, and in that case, this act shall be null and void.

Sec. 14. And be it further enacted, That it shall at all times be lawful for a committee of either House of Congress, appointed for that purpose, to inspect the books, and to examine into the proceedings, of the corporation hereby created, and to report whether the provisions of this charter have been by the same violated or not; and whenever any committee as aforesaid, shall find and report, or the President of the United States shall have reason to believe, that the charter has been violated, it may be lawful for Congress to direct, or the President to order, a scire facias to be sued out of the circuit court of the district of Pennsylvania, in the name of the United States, (which shall be executed upon the president of the corporation, for the time being, at least fifteen days before the commencement of the term of said court,) calling on the said corporation to show cause wherefore the charter hereby granted shall not be declared forfeited; and it shall be lawful for the said court, upon the return of the said scire facias, to examine into the truth of the alleged violation; and if such violation be made appear, then to pronounce and adjudge, that the said charter is forfeited and annulled: *Provided, however*, Every issue of fact which may be joined between the United States and the corporation aforesaid, shall be tried by jury. And it shall be lawful for the court aforesaid, to require the production of such of the books of the corporation as it may deem necessary for the ascertainment of the controverted facts; and the final judgment of the court aforesaid, shall be examinable in the supreme court of the United States, by writ of error, and may be there reversed or affirmed, according to the usages of law.

Sec. 15. And be it further enacted, That, during the continuance of this act, and whenever required by the Secretary of the Treasury, the said corporation shall do and perform the several and respective duties of the Commissioners of Loans, for the several States, or of any one or more of them, at the times, in the manner, and upon the terms, to be prescribed by the Secretary of the Treasury.

Sec. 16. And be it further enacted, That no other bank shall be established by any future law of the United States, during the continuance of the corporation hereby created; for which the faith of the United States is hereby pledged: *Provided*, Congress may renew existing charters for banks in the District of Columbia, not increasing the capital thereof; and may grant charters, if they deem it expedient, to any banking associations now in operation, in the said District, and renew the same, not increasing the capital thereof. And notwithstanding the expiration of the term for which the corporation is created, it shall be lawful to use the corporate name, style, and capacity, for the purpose of suits, for the final settlement and liquidation of the affairs and accounts of the corporation, and for the sale and disposition of their estate, real, personal, and mixed, but not for any other purpose, or in any other manner whatsoever: nor for a period exceeding two years, after the expiration of the said term of incorporation.

LANGDON CHEVES, *Speaker of the House of Representatives.*
JOHN GAILLARD, *President of the Senate, pro tempore.*