

I.—THE DIRECT TAX.

Of the tax of three millions imposed for the year 1814—

There remains uncollected,	-	-	-	-	-	\$5,600
In the hands of collectors,	-	-	-	-	-	1,600
						<u>\$7,200</u>

Of the tax of six millions imposed for the year 1815—

There remains uncollected,	-	-	-	-	-	110,000
In the hands of collectors,	-	-	-	-	-	13,000
						<u>123,000</u>

And of the tax of three millions imposed for the year 1816—

There remains uncollected,	-	-	-	-	-	195,000
In the hands of collectors,	-	-	-	-	-	30,000
						<u>225,000</u>

Entire amount of outstanding direct tax,	-	-	-	-	-	<u>355,200</u>
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These amounts include the whole quotas of taxes in the fifth collection district of Virginia for the years 1815 and 1816, amounting to about \$21,000, the collection of which has been delayed by the inaccuracy of the original assessment, and the time since consumed in correcting it; and the whole quota of the first collection district of Louisiana for the year 1816, amounting to \$2,804, which collection has likewise been delayed from the inability, until lately, to procure a collector; the amount of taxes on property purchased on behalf of the United States, which is still, in most cases, subject to redemption; and the uncollected taxes on the property of non-residents, for the payment whereof prolonged periods are allowed.

The collection of these taxes is substantially closed in one hundred and one collection districts, and remains incomplete in the sixty-seven remaining districts, in which the outstanding amounts vary from \$100 to \$21,000. Of the designated collectors, who are charged with the collection of taxes on non-residents' property, five have substantially closed the collection, and ten are still engaged in it.

II.—INTERNAL DUTIES.

There appear to be outstanding—

In bonds, a portion of which are not yet due,	-	-	-	-	-	\$816,000
In duties not bonded,	-	-	-	-	-	124,000
Cash in the hands of collectors,	-	-	-	-	-	320,000
						<u>\$1,260,000</u>

To this amount is to be added an uncertain sum on accruing duties, and duties received by several of the collectors, who have neglected to render their accounts, computed at	-	50,000
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Entire amount of outstanding internal duties,	-	-	-	-	-	<u>\$1,310,000</u>
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The collection of the duties is substantially closed in seventeen collection districts, and remains incomplete in the one hundred and eighty-two remaining districts, in which the outstanding amounts vary from \$100 to \$52,000.

Of the existing outstanding revenue, it is computed that \$120,000 will have been collected by the 31st of December ensuing.

Notwithstanding the foregoing limited amounts of outstanding internal revenue, the clerical duties for the ensuing year will be probably considerable. These, connected with the other duties heretofore attached to this office, will, it is supposed, require one clerk to be employed on the business incident to the light-house establishment and the old internal revenue, (of which last it has not been thought necessary to make any distinct mention,) one clerk to be employed in examining and entering the accounts relative to the outstanding internal duties, one clerk in examining and entering the accounts relative to the outstanding direct tax, and one clerk in copying and recording letters. The salaries of these clerks have heretofore been, respectively, \$1,300, \$1,100, \$1,050, and \$900; sums considerably below the existing average allowances in the other offices of the Treasury.

Three of these clerks may possibly answer, though it is believed that the whole four will be useful.

The contingent expenses for the year 1819 will not, probably, exceed five hundred dollars.

I am, with great respect, your obedient servant,

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

Hon. SECRETARY OF THE TREASURY.

15th CONGRESS.]

No. 547.

[2d SESSION.

BANK OF THE UNITED STATES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, JANUARY 16, 1819.

Mr. SPENCER made the following report:

The committee appointed to inspect the books and to examine into the proceedings of the Bank of the United States, with directions to report thereon, and to report whether the provisions of its charter have been violated or not, respectfully report:

That, under the leave granted by the House, the committee repaired to Philadelphia, and there personally inspected the books of the bank; and, as a further means of examining its proceedings, they interrogated, on oath, the president, the cashier, all the directors of the bank whose attendance could be obtained, and several of its clerks and officers. Examinations also have been made at the offices at Baltimore, at Richmond, and at the city of Washington, in order to obtain specific information upon certain subjects on which the books of the parent bank were necessarily deficient. From these inquiries, conducted with great labor, and the committee trusts with great care, they have collected a mass of information which they now submit to the House, and which will be referred

to in the course of this report. This information consists of tables, statements, and extracts made by the committee from the books of the bank, or by them compared with those books and verified, and of the testimony of witnesses, and of letters from the president of the institution.

The committee are aware that, from the sources of information, various important inferences may be drawn, and upon them the most interesting opinions may be predicated. It has been their intention, however, to go no further than was required by the resolution of the House, to avoid speculative opinions upon general subjects, and to confine themselves to what they deemed practical objects of inquiry, which they settled among themselves previous to entering upon the investigation.

These objects seemed to divide themselves into two classes: those which related to the general management of the bank and the conduct of its officers; and those which were connected with the question of a violation of its charter.

As to the general management of the concerns of the institution, among the points of inquiry which appeared to be most immediately interesting, were those which related to the refusal of the bank and its offices to pay its notes in specie, at any other place than that where they were made payable, and to the practice of selling drafts on each other.

It appears that the directors of bank, on its first institution, and up to the 28th of August, 1818, strenuously endeavored to redeem its notes at all its offices, indiscriminately, north of the city of Charleston. On the 7th day of January, 1817, it commenced operations by discounting notes on pledged stock, and to stockholders only, and by the issue of its bills. The officer then at the head of the Treasury Department had repeatedly urged the commencement of operations, with the laudable view, as it appears, of hastening the redemption, by the State banks, of their notes in specie. (*Vide* letters from the Secretary of the Treasury to the president of the Bank of the United States, of 15th August, and 29th November, 1816, marked Nos. 1 and 2.) Efforts on the part of the Treasury to induce the local banks to that measure appear to have been abortive, until the Bank of the United States made certain propositions, which induced negotiations between it and the State institutions, which finally resulted in a compact, contained in the resolutions of the board of directors of the 31st of January, 1817, herewith submitted, and marked No. 3. And in order to exhibit how far the bank complied with the compact, a statement of the loans made, and of notes issued, up to the 20th of February, 1817, is submitted, (marked No. 4.)

It can be necessary only to refer to the state of the paper currency of the country at this period. The notes of the State banks were variously depreciated; some as much as 20 per cent., while others were at a premium. The excessive issue of paper by the local banks had caused an unnatural and artificial depreciation of such paper, which required only time and moderate but steady reductions to restore, not to a uniform par, but to its true value. Under these circumstances, the Bank of the United States had, on the last of February, 1817, (*vide* statement marked No. 5,) \$8,848,000 due to it from the State banks at Philadelphia, New York, and Baltimore. With such a credit, constantly accumulating by the transfer of the Treasury funds, and by the payment of its second instalment in the notes of the State banks, it was in the power of the Bank of the United States to have coerced the local institutions into a moderate and reasonable reduction of their circulating notes. An attempt to do so was made by the compact, (No. 3;) and although the Bank of the United States appears to have been anxious to effect the object, it did not persevere in this design. By its subsequent acts it improvidently afforded a temptation, to the Western banks particularly, to extend their circulation of notes, by insisting on its branches paying out their own notes in preference to those of the State banks, and on their delivering drafts on the Eastern cities, whenever it could be done, to prevent the remittance of their own notes. The branch notes, and the drafts issued in consequence of these instructions, were swept away by the facility of remittance thus unwarily given, as well as by the ordinary balance of trade. A vacuum in the circulation was thus produced, which could be supplied only by the local notes, which were readily received by the offices of the Bank of the United States, and were retained by them as a fund upon which interest was charged to the State banks. The letter of the president (marked No. 6) exhibits the course pursued by the bank in this respect.

The Bank of the United States received from the Treasury the notes of the local institutions, in many cases, as special deposits, to be paid out in similar bills. From April, 1817, to this time, the amount so received appears, from statement No. 7, to be \$2,752,750, of which \$87,341 continues on hand, leaving \$2,665,409 as the amount voluntarily assumed by the Bank of the United States. The committee have not found any evidence of the bank having attempted to oppress the State banks, either by wanton demands of specie, or by the rejection of their notes. Much complaint has indeed existed, but, in the instances which have come to the knowledge of the committee, the State banks have been in the wrong, and some of them at the westward have refused the most equitable propositions of the bank, and have met its demands for its just dues with complaints and reproaches. It was not intended to trouble the House with any of the various letters which have passed on that subject; but as the president of the bank transmitted a letter from the office at Charleston, exhibiting the conduct of the local banks in that place, it is presented to the House, (marked No. 8.)

The committee are of opinion that, instead of conducting with the alleged rigor towards the State banks, the Bank of the United States is liable to the more serious charge of having increased the amount of notes in circulation, by its acceptance of them in those places where it was known they would not be redeemed in specie, and by making them, in the manner before mentioned, the only circulating medium in that part of the country. Its forbearance to the State banks is vindicated on the ground of its being the only means to induce their resumption of specie payments. This effect, if really owing to that cause, has been proved to have been but temporary; and experience has shown that, at the same time, or soon after the refusal of the Bank of the United States to receive the notes of its offices, many of the State banks began to suspend and evade their specie payments.

So long as the notes of each office were payable at all the others, and the office issuing them was not exclusively liable for their redemption, the discounts at those places, against which there was a balance of trade, became larger in proportion to their indemnity against demands. As the notes of the offices were rapidly carried off, the payment of these discounts were necessarily made in the notes of the local institutions; and thus it was one inevitable effect of the old system to increase the debts of the State banks to the offices of the Bank of the United States at these places. The demands of the bank were suffered to accumulate improperly, instead of being gradually reduced, as specie was required at other offices, and in small quantities that would not have been felt. Their reduction was not insisted upon sufficiently early; and when the bank began to call for specie, its demands were so considerable as not only to expose the local banks, but the citizens in their vicinity generally, to a very severe pressure.

By substituting the credit of individuals for the payment of the second instalment, which will be presently stated, instead of coin or the notes of State banks, the Bank of the United States, in a great measure, deprived itself of the early and prompt check which the possession of those notes would have afforded to the more extensive increase of local paper. In July, 1817, the debts due from the State banks were reduced to \$3,972,000, while the notes of the Bank of the United States in circulation amounted to \$4,754,000, by which it might have been subjected to embarrassments arising from the calls of the local institutions. The committee think it evident, from this result,

that the bank did not exercise with sufficient energy the power which it possessed, and might have retained, but rather afforded inducements to the State banks to extend the amount of their circulating notes, and thus increased one of the evils it was intended to correct.

In answer to an inquiry, addressed by the committee on this subject to the president of the bank, they were furnished with his views, and a letter from the office at Boston, (marked No. 9,) and were referred to a report of the committee of directors on the 28th August, 1818, (marked No. 10.) These documents exhibit the reasons of the bank for adopting the resolution of that date, by which the notes of the offices were refused acceptance. In the letter of the Boston office, much stress is placed upon the large accumulation of paper and of drafts at Boston issued by the Southern and Western offices; and this became an important object of inquiry. The books of the parent bank do not furnish information respecting the drafts made by and upon the offices, excepting those which were made on it; and the committee have not ascertained their amount, except at the offices in Baltimore and this city. From the local situation of Baltimore, the statements obtained at that office (marked Nos. 11 and 12) may be considered as furnishing sufficient proof of the correctness of the opinion expressed by the Boston office. To the office at Boston its debt fluctuated between \$34,000 and \$215,000 until May last, since which it has been indebted to Baltimore from \$500 to \$57,000. Its debt to the office at New York has varied from \$100,000 to \$1,947,000, and, until October last, it has generally owed that office more than \$1,500,000; at that time, the New York office was brought in debt to Baltimore, \$97,278; its debt in November last was \$10,948. The explanation of these extraordinary reductions of the Baltimore debts is given from the circumstances of Treasury drafts on the *North* being delivered directly to the Baltimore office, or sent to it through the office at this city; and by a check on New York for more than a million, given by the parent bank in payment of foreign bills of exchange, hereinafter mentioned. The Baltimore debt to the parent bank has varied from \$1,500,000 to \$9,000,000, and has generally exceeded \$6,000,000. Notwithstanding these heavy debts to New York, Boston, and Philadelphia, the drafts of the Baltimore office on those places continued uninterrupted and excessive in amount. That office was originally supplied with notes to the amount of \$872,000, and had returned to it from Philadelphia \$1,697,000 in its notes; and yet it is stated by the teller that it never had a sufficient quantity of notes to meet its demands; that they did not remain twenty-four hours in the office, but were constantly remitted to the North, with the drafts which it issued. And there can be no doubt, on a comparison of the statements referred to, connected with these facts, that the drafts from Baltimore, given for the proceeds of notes discounted, were unwarrantably large, and much more than the balance of trade required. In a letter of the president, dated June 27, 1817, to that office, he observes: "The directors, considering (among other things mentioned) the low state of the specie and individual deposits at your office, and the magnitude of your discounts, and those at this bank, as well for Baltimore as this place, and the very inadequate and disproportioned amount of discounts to which the office at New York has been restricted, in consequence of the daily and excessive drafts from your office and this bank, which has become the subject of just animadversion," direct that the then amount of discounts should not be exceeded. The same language is held in other letters, (Nos. 13 and 14;) but it terminated in unavailing remonstrances. The Baltimore office continued its drafts and its discounts, and drained the specie from the Northern offices. And such was the want of firmness or of foresight in the parent board, that, after finding its repeated remonstrances disregarded, it never removed one of the offending directors, and took no effectual step to control them, until the adoption of the general resolutions of August 28, 1818, forbidding the offices to draw on each other.

The effect of these excessive drafts on the Northern offices was to compel the constant remittance of specie there; to cripple them in all their operations; to limit their discounts to a trifling amount; to cause the revenue paid there, and which would itself have been a capital for business, to be drawn southward: thus compelling them to deny to the debtors of the Government any indulgence or accommodation in their payments; to bring those offices into debt with the State banks; to produce a general depression of credit, and a severe pressure for money. Those places were, in fact, made tributary to Baltimore, and all their means and energies were required to supply its extravagant issues.

A sudden reduction of the Baltimore debt to the Northern offices appears to have taken place in March and April last, and, within a few months past, those offices have been brought in debt to it. This is accounted for by the cashier of that office, by saying that it arose principally from Treasury drafts, and by the sales of foreign bills of exchange. Drafts were given by the Treasury in some instances, and to considerable amounts, directly to Baltimore, on the Northern offices; and, in other instances, such drafts went through the office in this city. It is not to be presumed that those drafts were given by the Treasury with a knowledge of all the circumstances, or with a view to draw the revenue collected at the North to Baltimore, merely to aid that office in paying its debts. Yet such was the effect; and although it enabled Baltimore to continue its large discounts, it impoverished the Northern offices, and the cities where they were established were made to feel the pressure. The Baltimore debt to the parent bank will be found to have regularly increased with the reduction of its debts to the other offices, until it remitted \$1,007,000 in bills of exchange on London, which remittance is connected, by the testimony of J. W. McCulloch, Esq., with the negotiation explained in the letter of the president, (No. 15.) The loan which resulted from that negotiation was on a pledge of stock that had been pledged at Baltimore; the bank assumed it, and received the bills of exchange, and paid for them by giving a check on the New York office for the amount, at the time the Baltimore office was indebted to the parent bank more than six millions of dollars.

It might have been supposed that the pressure of the Baltimore office upon those more north was owing to its being pressed by the Southern and Western offices. The fact will, however, appear, from the table No. 11, that until September last, it was indebted to the office at Lexington; that the debts of Cincinnati, Chillicothe, and Louisville to it were small in amount; and that the only office which has constantly owed it is New Orleans, and that not to a large amount until lately.

From these facts, it would seem to result that the embarrassments of the Bank of the United States, in receiving the notes of all its offices, did not arise so much from the fair and ordinary balance of trade, which might have been calculated and provided for, as from the excessive discounts granted at some of the offices, particularly Baltimore and Philadelphia, and the drafts consequent upon those discounts, which were made upon the other offices. From the correspondence of the bank with its offices, it is obvious that this was the opinion of the directors and the officers; it is distinctly assigned as one of the grounds for refusing the notes of the offices in the report of the committee, (No. 10;) and it is more strongly urged in the letter of the Boston office, submitted and adopted by the president, (No. 9,) and is eloquently enforced in several of his letters.

This committee is not prepared to say that a uniformly equal currency could have been maintained by the bank under the most auspicious circumstances; they are inclined to the opinion that such an attempt would be hopeless; but they consider its abandonment at the time as having been produced by the causes before stated. The efforts of the bank to meet the payment of its notes at all its offices north of Charleston were certainly great, and particularly at New York and Boston, as will appear from the resolutions marked No. 16, and the account of specie remitted, No. 17. The relinquishment of the attempt was involuntary and reluctant.

From the testimony of the cashier and tellers of the bank, of the teller of the Bank of North America, and of the cashier and teller of the office at Baltimore, it will appear very satisfactorily that the conduct of the bank and that office, in adopting the new system of refusing the notes of the branches, was perfectly fair and equitable; that the bank and the Baltimore office promptly paid and received all the notes of the other offices which they had paid out previous to the change of system, whenever application was made for the purpose; and that in no instance have they refused to do so. Injury, probably, was suffered by those who had received the depreciated notes in the usual course of business; but the committee cannot perceive how the bank could have changed its system in any manner less injurious to itself, and less inconvenient to the public, than that which was adopted.

From this change of system, which placed the notes of the offices on the same footing with those of the local banks in their vicinities, resulted a greater difference in the exchange between the different parts of the Union. The offices at New Orleans, Savannah, and Charleston had never been included in the plan of equalizing the currency. They had always been left to their own discretion in receiving or refusing the notes of the other offices. In May, 1817, the offices at Charleston and Savannah were authorized to draw on those at the North, at a premium. In April, 1817, those at Lexington and Cincinnati were authorized to purchase bills on the Eastern and Northern cities. In December, 1817, the Southern offices were authorized to draw at a premium on those at the North. In October and November, 1817, the Western offices were authorized to draw at a premium on Philadelphia and the offices south of it; and it appears the offices at Lexington and Cincinnati were, before February, 1818, in the practice of drawing on the Eastern cities. These facts show that the bank and most of its offices sold drafts upon each other long before the adoption of the resolution of August 28, 1818, refusing the notes of the offices; and establish that, while the bank was attempting to equalize the currency by the payment of its notes at all its offices north of Charleston, it was, at the same time, selling drafts between those offices at a premium. A system of domestic exchange was adopted by the bank on the 18th July, 1817, (marked No. 18.) It contains some provisions which appear exceptionable; but as the plan never was acted upon, it is not deemed necessary to notice them.

It has been impracticable for the committee to ascertain the amount or the rates of drafts sold by and upon the offices. On examination of the books of the parent bank, it appears that drafts were sold by it on Charleston, New Orleans, and Savannah, within a few days of each other, at very different rates; on one day at one per cent., and on another day at five per cent., on the same office. It would be in vain to account for these fluctuations.

However dangerous to the community may be the power of selling drafts in the hands of an institution whose resources may be adequate to the control of domestic exchange, according to its interests or its caprices, yet the committee cannot entertain a doubt that the bank possesses the power. Excepting the fluctuations before noticed, the rate of premium has not hitherto been extortionate in any instance which has come to the knowledge of the committee. The proceedings of the bank and its officers, and the reasons and views entertained by them, are exhibited in the report, (No. 18,) in the letter of the president, (No. 19,) and in extracts from his correspondence, (No. 20.)

Various opinions are entertained on the expediency of the bank's selling its drafts. While many suppose that it would consult its own dignity and interest in refraining from the practice, and would receive an equivalent for the loss of premium in the confidence and support of the commercial community by delivering its drafts gratuitously when it was convenient to draw at all, others contend that the system of gratuitous drafts would open an avenue to favoritism, and, at all events, would expose the bank to the charge in a greater degree than if it sold its drafts. Without expressing any opinion on these subjects, upon which the commercial community is much divided, and to which the attention of the committee has not been particularly directed, they content themselves with observing, that if drafts are sold, they ought to be at fixed, known, and permanent prices, not exceeding the expense of transportation of specie, or the fair *agio* of business. The want of these fixed prices in the bank and its offices appears to your committee censurable.

Connected with the subject of exchange, is that of dealing in the notes of the State banks. In a letter of the president to the Charleston office, which received the sanction of the board of directors, (marked No. 21,) an opinion in favor of the legality and propriety of such purchases is expressed. No evidence, however, has been obtained that they have actually been made. The practice, in the opinion of the committee, would be highly improper and dangerous, and contrary to the spirit, if not the words, of the ninth fundamental article.

Among the resolutions of the directors are two on the subject of discounts, on a pledge of stock, (marked Nos. 22 and 23,) passed the 18th and 27th December, 1816. These resolutions obviously contemplate only discounts to stockholders; and one avowed object was to facilitate the payment of the specie part of the second instalment, which was ten dollars on a share, and to be paid by the 23d January, 1817. The loans were to be confined to the proportion of the coin part of the second instalment, on the shares which had been subscribed at the places where offices were then in operation—New York, Boston, and Baltimore. The total amount of these loans, to pay the specie part of the second instalment, on the 20th of February, 1817, at Philadelphia, was \$199,921 37, and at Baltimore, at that date, it was \$138,320.

The committee have not obtained information of the amounts at New York and Boston; but they are informed by the officers of the bank, that the discounts at those places were to a very trifling amount, if any. The committee can see no reason to justify these premature efforts to aid the payment of the second instalment before it fell due, and before the experiment was made to ascertain how much could be paid in specie. Those efforts do not appear to have been very successful, for \$839,085 only was paid during the month of January, 1817, while \$1,078,319 was paid after that period, (the greatest proportion in May and June,) as will appear from an abstract prepared by the committee, and now submitted, (marked No. 24.) The amount paid by checks also appears from that abstract, the most if not the whole of which were to draw the proceeds of notes discounted for the purpose. And it appears in many instances, particularly in one related in Mr. McEuen's testimony, hereinafter referred to, and in another referred to in the president's letter of May 27, 1817, (marked No. 25,) that the directors did not confine themselves to the amount prescribed in the resolution of the 27th December, (that is, to the proportion of the coin part of the second instalment,) but discounted to the full par value of the stock which was paid for by the proceeds of the same discounts; and the discount, the payment of the second instalment, the payment of the price to the owner, the transfer and the pledge of stock, were, as it is termed, simultaneous acts. All the discounts on stock after the 20th February, 1817, were made at the par value of the shares, which enabled the discounter not only to pay the whole of his instalments, including the specie part and the funded debt part, but also to draw out of the bank the amount which might have been paid in on his shares. It is alleged, in justification of these discounts, that specie bore a very high premium, and that the bank could not have commenced business, unless that the mode of obtaining the specie payment had been adopted. With respect to the price of specie, it appears to have been at Philadelphia six per cent. on the 6th January, 1817, and about the same price in Baltimore, and that it had been much higher. Admitting, however, that the price would have been much enhanced in consequence of its being understood that the coin payment on the second instalment would be rigidly exacted, yet the committee cannot perceive the justice of enabling some of the stockholders to evade that payment, and the consequent loss of the premium on specie, while the majority had been compelled to incur the same loss, in order strictly to comply with the law and their engagements. Particularly unjust was it to those who resided at such a distance from the bank that they could

not avail themselves of the privilege granted. And the injustice appears the greater, when it is known that the expense of the specie afterwards imported by the bank, in order to supply the deficiency produced by the evasion it had authorized, was assessed equally upon those stockholders who had neglected to pay, upon those who had already, at a considerable loss, furnished their quota of coin, and upon the Government. \$7,000,000 was the whole sum required to be paid in coin; the specie part of the first instalment, amounting to \$1,400,000, was paid; of the \$2,800,000, which was to have been paid at the second instalment, it is impossible to say what amount was actually paid in coin. The statement before referred to (marked No. 24) will show the payment in coin at Philadelphia; and abstract marked No. 26, [See No. 538, page 291,] will exhibit the nominal payments on all the instalments, of which \$13,872,610 was paid by the stockholders in funded debt, (exclusive of the \$7,000,000 subscribed by the Government,) instead of \$21,000,000, which was required by the law; and \$14,100,167 was paid, as stated in the abstract, in coin. But in that abstract a check on the bank, or on other banks supposed to pay specie, is deemed a payment in coin; and as the payments on the second instalment continued to be made and received for six months and more after it was due, and as, during that time, large discounts on stock were constantly made, it is obvious that the abstract cannot be relied on as exhibiting the actual amount paid in specie; nor, on the other hand, could the whole amount of the discounts on stock be considered as having been applied to the payment of the second instalment. By statement marked B, referred to in the cashier's answer, and by this committee marked No. 27, it appears that the discounts on the 30th July, 1817, on pledged stock, amounted to \$8,046,932; of this amount a part was applied to the payment of the third instalment, and a part was drawn out of the bank by the discounters. A large portion of it is believed, however, to have been used to pay the second instalment.

Of the \$2,800,000 which was to have been paid at the third instalment, it is believed that a very trifling amount was paid in coin, and as little of the funded debt; but that nearly the whole of both was paid by the proceeds of notes discounted on the pledge of stock.

The total amount of specie imported from Europe by the bank, since its institution to this time, appears, by statement marked No. 28, to be \$7,311,750 53; the expense of which, including interest, premium, and \$20,000 paid to the agent for going to London, amounts to \$525,297 38. The contract made for a part of that specie, and the authority to Mr. Sergeant, the agent, are submitted, marked Nos. 29 and 30. To the reason urged by the officers of the bank, that such was the scarcity of specie that it could not have been obtained, and that without facilitating the payments, by making discounts, the bank could not have gone into operation, the committee observe that they are at a loss to perceive how the simple act of discounting could make the specie more plenty; that if it was not actually in the bank at the time of making these discounts, the checks of the discounters could not be considered as equivalent to specie.

The amount of specie in the Bank of the United States in February, 1817, was \$1,724,109, \$324,000 more than the coin part of the first instalment, and which may fairly be presumed to have been received for the second instalment. If, then, the checks of stockholders founded upon discounts were equivalent to specie, they were by them authorized to draw out of the bank the very coin which had been paid in by other stockholders, in order to pay it into the bank again for their own benefit, and to complete the payment of the specie part of the second instalment—an operation of more potency in creating specie than was ever ascribed to the fabled finger of Midas. The general statement in February, 1817, shows that the total amount of bills discounted was \$2,930,067, making an excess of \$1,205,958 of discounts over the specie in the bank; from which it would result that the checks for the proceeds of those discounts were not in all cases equivalent to specie.

As to the difficulty of the bank going into operation without those discounts being made to facilitate the payment of the second instalment, it is not perceived how that measure removed the difficulty; for it is obvious that it did not add a single cent to the specie in the vaults of the institution. What other difficulty than the want of specie the bank had to encounter is not known, as all other obstructions seem to have yielded almost without an effort. The effect of those discounts was very obviously to enable those who had made large purchases to retain their stock without paying for it, and to derive a benefit from its probable advancement in price. Had the bank rigidly required the payment of the instalments, the large stockholders must have sold that portion of their shares which their real means did not enable them to hold. Or, if the bank had not exacted the instalments, and had not afforded the means of substituting credit for payment, the stock would not have advanced materially in price, and the large holders of it would have had no inducement to retain it. In either event, a more equal diffusion of the shares would have been the consequence, and it would have reached the hands of solid capitalists, who would have held only what they could pay for. It is believed that the loss of the dividends, and the liability to pay interest on the instalments due, would have been sufficient to compel even the stock-jobber to sell. Although, if those discounts had not been made, the immediate profits of the bank would not have been so large, yet it would not have had an unwieldy capital to manage; it could have proceeded gradually, growing with the growth and strengthening with the strength of the nation, as it emerged from the evils of the flood of paper issued by the local institutions. The bank could have felt its way, and increased its means with the increasing demands of the country. Such a cautious proceeding would have enabled it to render invaluable service in checking the issue of State banks, and bringing them to the alternative of avowed bankruptcy, or to the permanent resumption of specie payments. The evil of the country was the immense amount of bank notes and credits; the Bank of the United States increased it by its credits to stockholders. That course did indeed enable the directors to declare a large dividend; but that the apparent prosperity was temporary and fallacious, is demonstrated by the recent dividend of two and a half per cent.

It might have been supposed, as it has been urged, that the discounting on stock was the only means in the power of the bank to enforce the payment of the second instalment. It is believed that the engagement on the part of the stockholders could have been enforced without difficulty by the courts of law. Decisions to that effect have been made in the courts of the States of Pennsylvania, Massachusetts, and New York; and when the stockholder's note was taken without an endorser, or any other collateral security but the pledge of the stock, it is not perceived how his legal liability was increased. In the sale of the stock pledged there was indeed a prospect of indemnity, which depended, however, wholly on the price of shares in the market. The same circumstances that prevented the actual payment of the instalment would have interposed, it is presumed, to obstruct the liquidation of the note given in lieu of it; and, in the emergency which would have compelled the bank to reduce its discounts, it would most probably require a good price for the stock; and the very necessity of the times which would force an unusual quantity of it into the market would probably defeat the object of security. In fact, a large part of the amount thus discounted was not paid at the maturity of the note, (*vide* statement No. 27,) but was renewed. Of the still larger proportion which appears from that statement to have been paid, it is wholly impossible to determine what part was converted into notes on personal security, or what part assumed the new shape which was given to notes discounted on pledged stock after the 20th February, 1817. It ought to be remarked, that many persons, after finding the disposition of the board, obtained discounts, who were perfectly prepared to pay, and would have paid their instalments, if the inducements to credit had not been offered them.

Had the bank resorted to its remedy through the courts to obtain the payment of the second instalment, it would probably have obtained something from the stockholder; it could have lost nothing, and, at all events, it

would have saved the dividends upon the delinquent stock. But, by taking the note of the owner, it admitted that the instalment was paid, and abandoned the means of coercion given by the charter, in withholding the dividends, and obtained nothing: it did not increase the responsibility of the stockholders, while it exposed the bank to the certain loss of the dividends, and to the chance of loss, if the stock should be forced into the market in large quantities.

The committee are of opinion that the resolutions, and the practice of discounting, before mentioned, were incorrect; that they were particularly objectionable, from their partial operation in affording facilities to some stockholders, which could not be enjoyed by those residing at a distance; even at Richmond, the stockholders made their payments for the second dividend in funded debt, and in coin which probably was purchased at a premium. The committee find it difficult to reconcile these resolutions with the views proposed in their adoption, and are satisfied that they were connected intimately with the measures calculated to affect the price of stock, and particularly with discounts of a similar character soon after made.

One of the acts obviously intended to give the bank stock a high price in the European market was the establishment of an agency there to pay the dividends. On the 28th November, 1816, a resolution was passed by the casting vote of the president, and against the report of a committee which had been appointed to consider the subject, authorizing John Sergeant, Esq. to make arrangements in Europe for the payment of the bank dividends at the par of exchange, and at the risk and expense of the bank. Such an arrangement was made, by which it was stipulated to make the payment six months after the dividends were declared. The papers on this subject are marked Nos. 39, 40, and 41. How far it was objectionable thus to afford inducements to foreigners to become interested in our stock, and semi-annually withdraw from the country the amount of the dividends, the committee do not undertake to decide, as they consider it one of those general and abstract subjects to which the resolution of the House does not direct their attention. But thus to compel American stockholders and the Government to contribute to the possible loss of paying the dividends to those abroad, appears to be unjust. The nearly equal division of the directors on this important subject, and the able reasons assigned in the report of the committee against the measures, ought at least to have prevented the precipitate adoption of the resolution; and when the committee find among the eleven who voted in the affirmative the names of some directors who have been constantly and largely engaged in the purchase and sale of stock, and that of the ten who voted in the negative not one has been ascertained to have dealt in those transactions, they are almost irresistibly impelled to the conclusion that the measure was adopted more with a view to enhance the price of shares than for the permanent benefit of the institution.

The practice of discounting on stock to the full amount paid upon the shares appears to have commenced early at the parent bank under the fourth by-law, which is similar to the fifteenth regulation for the government of the offices, both of which were adopted at the commencement of the institution. They authorize discounts without an endorser on the stock of the bank, on the funded debt of the United States, or such other property as shall be approved, when pledged to an amount sufficient to secure the payment of the note. By a statement referred to in the cashier's examination, (No. 27,) it appears that the total amount of discounts on pledged stock up to the July 30, 1817, was \$8,046,932 64, of which there had been paid at that time \$2,815,665 04. These loans, it is presumed, were made chiefly at Philadelphia, as the Baltimore loans on stock had not commenced to a large extent at that time. On the 25th July, 1817, a resolution (marked No. 31) was adopted, authorizing the offices to discount notes secured by a pledge of bank stock or funded debt, with a recital that it might be desirable to many persons to obtain temporary loans on such pledges; and a form of the pledge was directed to be transmitted, (marked No. 32.) These notes had no endorser, and the discount was in fact made upon the credit of the stock; for, by a resolution of the 30th September, 1817, (marked No. 33,) the president and cashier were authorized in all cases to renew those notes when they fell due between discount days; and by the resolution of November 6, 1818, (marked No. 34,) the president and cashier were authorized in all cases, when required by the party, to substitute the note and hypothecation of the person to whom stock might be transferred, and on which loans at par had been made.

By the resolution of 26th August, 1817, (marked No. 35,) discounts to stockholders were authorized at \$125 per share, upon presenting collateral security for the \$25. The provision requiring an endorser or collateral security for the excess above the par value was in many instances, and to very considerable amounts, effectually evaded by some of the largest borrowers becoming endorsers for each other. The alleged reasons for the resolution are, that bank shares had been discounted upon at \$120 by the local institutions in New York; and that it was necessary in order to employ the capital, which had been increased beyond the ordinary means of using it advantageously, by the redemption of eleven millions of the public debt. The practice of other banks would not, in the opinion of your committee, afford any justification of the measure; and when that practice was to be urged as a reason, the directors ought at least to have been correctly informed of the fact. The committee addressed inquiries to the several banks in the city of New York; and, from their answers, it appears that in two or three instances only discounts have been made on the bank shares; that those notes never were renewed; and that in no instance has any bank there discounted on the shares of the Bank of the United States above their par value. And although pains have been taken to ascertain the fact, no evidence has been discovered of any other bank having made discounts on stock above its par value.

The redemption of the eleven millions of public debt was effected by the application of that amount of deposits to the credit of the Government then in the vaults of the bank. Much unfounded and unnecessary complaint appears to have been made by the officers of the bank against this very prudent measure. That it disappointed the expectations of those who calculated on receiving interest from the Government while they discounted on its money, is very probable and very natural; and it is not surprising that some expedient should have been resorted to, in order to supply another equivalent source of profit. But there were other resources besides the stock of the bank. The Government stock was better security; and although it was uniformly above par, the directors seem never to have thought of discounting upon it above its par value. They began by rating it at \$90 for every \$100, while they were discounting on their own shares at par. By a resolution passed 20th May, 1817, (marked No. 37,) the Government stock was rated at par, and soon after bank shares were discounted upon at \$125 for every \$100, with an endorser for the excess.

The committee are surprised to find so little good paper business done at the bank and its offices, where it was to have been reasonably expected that the merchants would have preferred transacting their business. The directors themselves avow that they uniformly gave a preference to stock notes over business paper; their reasons are contained in their examinations. But when the complaint is that the bank had more capital than it could employ, it is singular that any business paper should have been rejected. In July, 1817, that kind of paper to the amount of about \$940,000, and in August to the amount of about \$493,500, was rejected at Philadelphia; and at Baltimore, in July about \$407,000, and in August about \$183,000, was rejected. These sums are not precisely accurate, but are sufficiently so for general views. Whether this paper was such as ought to have been rejected, the committee have no means of determining. The amounts rejected are probably not more than might be expected

from a bank doing business on such an extensive scale at any other time than when it was anxious to employ its capital. Not an instance has occurred of a note secured by the pledge of stock being rejected.

On the 9th January, 1817, the board resolved (paper marked No. 36,) from and after the 20th February then next, and to the 1st of July, to discount notes to those who should have revenue bonds to pay during that period. The amount done under that resolution was small, and it does not appear that such notes have at any time been discounted extensively.

The principal business of the bank certainly has been to discount on notes secured by a pledge of stock under the various resolutions before recited. Their effect was to abandon all personal security, and to rely entirely upon the stock pledged—a system which, your committee think, need only to be stated to insure unqualified reprehension. Besides the objection which arises from these loans being in their nature perpetual after all personal security was abandoned, it appears to have been an act of self-immolation thus to place beyond the reach of the institution, in the event of an emergency to which it and all others are liable, so large a portion of its loans. On the 20th October last a statement was made exhibiting the amounts discounted on notes secured by a pledge of the bank stock, and then remaining unpaid at the following places: at Philadelphia \$4,680,800, of which \$173,450 was above the par value; at Baltimore \$2,402,435, of which it cannot be ascertained what proportion was above the par value, but it is believed to have exceeded \$500,000; at Charleston \$897,429, of which \$2,000 was above par; at Washington \$298,570, of which but a small amount was above par; at Richmond \$209,840, and none above par. There are no accounts from the other offices, the directors having required statements only from those whose discounts on stock exceeded \$100,000. A statement has been furnished by the bank of the amount discounted at the above places, and remaining unpaid at this time, (marked No. 42,) which differs somewhat, but not materially, from the statement made in October last. By that statement the total amount of discounts at the bank and at those offices on pledged stock is \$8,022,954; and by the general statement on the 1st December last, the total amount of such discounts at the bank and all its offices is \$8,934,712; the difference between which sums is the amount discounted at all the other offices not above enumerated. The committee have compiled a statement, (No. 43,) which exhibits, among other things, the total amount of discounts at the bank and all its offices at different periods, on personal security and on pledged stock; from which it will appear that the largest amount discounted on bank stock was in January and February, 1818, when it was \$11,244,514.

From this recital it will be apparent how large a portion of the capital of the bank was thus placed beyond its control. Although there have been some fluctuations in the amounts of those discounts at different periods, yet the greatest part of them, (indeed the whole, with but few exceptions,) have been constantly renewed from time to time, as the notes fell due—in many cases at four and six months. Indeed, every subsequent act of the bank has been wholly at war with the profession of these loans being temporary, held out in the recital of the resolution of 25th July, 1817, (marked No. 31.) And in order to insure the greatest amount of such loans, and at the same time afford facilities to the prompt purchase and sale of stock, the directors, on the 8th of August, 1817, passed a general resolution authorizing the president and cashier to discount all stock notes that should be offered between discount days to a certain amount, and, by various resolutions adopted at different meetings until 7th September, appropriated \$2,000,000 to their disposal for that purpose. The papers referred to are marked No. 44; and on the 30th September, 1817, the resolution already referred to (marked No. 33) passed, authorizing those officers in all cases to renew the stock notes as they fall due between discount days.

Another, and probably much more censurable, effect of these various resolutions and proceedings, was to keep the price of the stock constantly advancing, until it reached a point where it exploded and fell. From various sources of information, the committee have compiled a table of the prices of stocks at the different periods when these resolutions were adopted, (marked No. 45,) from which their effect in enhancing the price of shares is very clearly exhibited. It will appear from that table, that the price of shares at Philadelphia on the 20th of August, 1817, was, according to the public reports, \$147 50; according to the testimony of McEuen, a broker, it was \$144; at the same place, on the 30th of the same month, the price was \$156 50. The resolution authorizing discounts on stock at \$125 was passed on the 26th of the same month, (*vide* No. 35.) These facts would, in the opinion of your committee, be sufficient to condemn a system which thus enabled a stock-jobber to sport with the property of others. Stock-jobbing to an immense extent, and wagers on the price of shares, were its inevitable consequences. It gave equal facilities to the bankrupt, who had not credit enough to obtain an endorser, and to the capitalist. Stock could be, and was, purchased without the advance of a cent by the purchaser, who had only to apply to the directors, or to the president and cashier between discount days, for a loan on the shares about to be bought, and, by what is termed a simultaneous operation, he obtained his discount, and with it paid for his stock. A rise in the market would enable him to sell his shares, pocket the difference, and commence operations anew. And the committee are compelled to state, that in fact the largest loans on pledged stock were made to brokers and to individuals who appear to have been constantly in the market. Loans on stock, at a rate below its par value, may, unquestionably, be useful to the merchant, who would avoid the obligation imposed by requesting an endorser; and would be highly beneficial to the bank, when restrained within moderate limits, and not made permanent. But the loans actually made were (most of them) unreasonable and excessive in their amount; they were not made to the merchant and trader, but to a few persons consisting of directors, brokers, and speculators; and have been renewed and continued, almost invariably, at the option of the borrower. And when in July last the board directed a curtailment of its discounts, it fell in almost all cases on the business paper; while the immense amounts loaned on stock pledges were but little affected, excepting at the offices at Richmond and Washington, where the curtailment appears to have fallen equally on all the notes. But the discounts at those places on stock were very small, particularly when compared with Baltimore, where the loans were such, and so long continued, as to receive the animadversions of the parent board.

An unwillingness to injure the private credit of those engaged in the above-mentioned transactions, where no public good is perceived to be probable from the disclosure, induces the committee to withhold the mention of their names. But, in respect to the directors, the committee consider their conduct intimately connected with the general management of the concerns of the bank; and under a sense of the duty devolved upon them, they state that many of the directors, as well those appointed by the Government as those elected by the stockholders, appear to have been the most forward and the most active in trafficking in stock. The mere purchasing shares with an intention to retain them would not be improper even in a director, if made without any view to intended future proceedings of the board of which he was a member. But the practice of purchasing at one time, when the stock was low, and selling at another, after its price had been enhanced by the measures adopted by the directors, is certainly unfair and censurable. It is the perversion of a public and honorable trust to the purposes of self-aggrandizement, and places the directors in a situation where their own interests afford a strong temptation to the abuse of that trust. Still more reprehensible is the conduct of those directors who made contracts for the purchase of stock deliverable and payable at a future period at a low rate, and, during the intermediate time, by their own official acts, raised the price of the stock to its highest point. The committee do not deem it necessary to repeat the

details which will be found in the examinations of the directors and officers, herewith submitted, (Nos. 52 and 53.) By comparing these examinations with the prices of stock hereinbefore referred to, the House will be enabled to perceive which of the directors have participated in this business. With respect to the public directors, considering them public officers, responsible to the Government, and subject to the constitutional power of this House, the committee deem it their duty to state that the president, William Jones, Esq., and George Williams, Esq., appear, from their own declarations, and from the testimony of a number of witnesses, to have been deeply concerned in these speculations. Mr. Jones appears to have purchased 1,555 shares at a high rate, and to have sold a large part of them at a loss. He states that, in the summer of 1817, he purchased a contract of 1,000 shares, at \$132 per share, deliverable 2d of January, 1818, and soon after another contract for 1,000 shares, deliverable in November following, at \$135 per share; both of which, he says, were sold at \$150 per share: from which two contracts it would appear he realized \$33,000. Much ambiguity rests on these transactions, arising from the incompatible statements of Mr. Jones, Mr. George Williams, Mr. Dennis A. Smith, and Mr. James W. McCulloch. The three latter gentlemen appear to speak of the same contracts and purchases, but give accounts of them somewhat variant from that of Mr. Jones. Particularly, Mr. Dennis A. Smith and James W. McCulloch speak of one of those contracts, or of some other, as having been presented to Mr. Jones, gratuitously, after the stock had risen, and it was obvious that a profit would be realized, of which Mr. Jones makes no mention. Mr. Jones states that he sold both those contracts to D. A. Smith; Mr. Smith says he was one of the persons who made one of the contracts a present to Mr. Jones; that the stock never was transferred, and that the profit, amounting to \$15,000, was paid to Mr. Jones in money. Although the precise time is not specified by Mr. Jones, yet it is obvious, from the rates at which the contracts were purchased, that it must have been some time anterior to the 26th of August, 1817; for at no time after that period, during the year 1817, was stock so low as \$135. That the resolution of that date, authorizing discounts on stock at 25 per cent. above its par value had an immediate effect on its price, will have been seen from a former part of this report.

The committee do not hesitate to say that, although his motives may have been strictly correct, and his vote given without any reference to his private interest, yet his situation forbade his acting on a question whose result was so important to him; or rather, that he ought never to have placed himself in that situation. The high trust reposed in the president of a national bank, by the Government and by the representatives of the stockholders, required that he should abstain from all concerns in which the price of stock was material. Mr. Jones appears to consider those transactions as lawful private concerns; the committee deem them intimately connected with the public management of the institution. Of their lawfulness and propriety it is for the House to judge.

Mr. George Williams, another public director, appears to have been deeply concerned in the purchase of stock, and in the making and purchase of contracts for the delivery of stock, to a large amount. Every witness that has been examined speaks of Mr. Williams's transactions in that respect. Mr. Williams himself declined stating the amounts and prices at which he purchased; and the committee did not think proper to insist upon his answers, as they had already obtained satisfactory information respecting his conduct, and examined him chiefly to give him the opportunity of making such explanations as he thought proper, of which he was advised at the time. With respect to the other public directors, Messrs. Pierce Butler and John Connelly, it satisfactorily appears that they were not in the least concerned in these stock-jobbing transactions. And, with respect to Walter Bowne, although his residence in New York did not give the committee the same means of information, yet no evidence has been discovered to implicate him.

Jonathan Smith, Esq., the cashier of the bank, has had considerable dealings in the purchase and sale of stock, and in making and purchasing contracts for its delivery at future periods. This remark is applicable to James W. McCulloch, Esq., the cashier of the office at Baltimore, to a much greater extent. Although those gentlemen might have no direct agency in the measures which were to affect the price of stock, yet the influence of their stations ought to be great; and it is to be lamented that they should have placed themselves in a situation where the exercise of that influence might be ascribed to improper causes. With respect to the other directors, their examinations will enable the House to determine how far they have mingled in these transactions.

Besides the objection which has already been urged to the resolution of the 8th of August, 1817, authorizing the president and cashier to discount notes, as being connected with a series of proceedings evidently calculated to enhance the price of stock, by affording facilities to the making prompt purchases, it is still more objectionable as being a delegation of power which, in the opinion of your committee, the directors had no right to grant; and, when connected with the power also given them of indefinite and unlimited renewal of stock notes, it was placing the great bulk of the capital entirely within their control. The same practice appears to have been almost universal at the office in Baltimore, where the president and cashier, as appears by their examinations, have, under the authority of the board of directors at that place, always discounted notes without an endorser, secured by a pledge of stock. As they were not restricted by the board, they appear accordingly to have exercised the power to a very considerable extent. Still more reprehensible, in the opinion of your committee, is the practice at that office of allowing the president and cashier to purchase or discount drafts and bills payable from sight to sixty days, because in such discounts the personal security is the most important circumstance. It has been done to a very large amount, although no loss appears yet to have accrued. At Richmond, an equally improper delegation of power to the cashier appears to have been granted, in authorizing him to discount notes on pledged stock at sixty days, and afterwards a similar authority to discount at four months. After an experiment of three weeks, the directors of that office had the wisdom to abandon it. (*Vide* papers No. 46.) At the office in this city the power has been discreetly limited, and as discreetly exercised.

Two by-laws of the bank seem to your committee to deserve notice: one of them, that no discounts shall be made without the consent of three-fourths of the directors present; and the other, that no director shall, without special authority, be permitted to inspect the cash account of any person with the bank. Those by-laws appear to render nugatory the provisions of the charter authorizing the appointment by the Government of one-fifth of the whole number of directors, and are different from the provisions, in that respect, by the former Bank of the United States, although most of the local banks in Philadelphia have similar regulations. Should a state of things exist in which the stockholders should deem their interest hostile to that of the nation, such provisions as these stated would render the Government directors mere spectators of the proceedings of the board.

The committee endeavored to obtain a statement of the shares upon which the instalments had not been paid, and of the persons owning them. The officers of the bank satisfied them that, from the irregular manner in which the accounts of the payments had been made, it was impossible to obtain an accurate statement. But the fact is admitted that the dividends have been paid to some delinquent stockholders, who are few, and to whom but a small amount of stock belongs. The dividends have been uniformly paid to those stockholders whose notes were discounted to the full par value of the stock, with the proceeds of which they paid their instalments, including the funded debt part as well as the specie part. The injustice of this proceeding towards those who had really paid their instalments according to their engagements, and who received no more benefit from these payments than those stockholders who substituted their stock in place of specie and funded debt, is most obvious. The stock that

had really never been paid for, but which remained pledged for the very credit given it, was entitled to draw, and did draw, as much dividend as that which had been fairly and punctually paid.

The root and source of all these instances of misconduct was the illegal and reprehensible division of the stock. By the first fundamental article of the charter, no person, copartnership, or body politic, shall be entitled to more than thirty votes; and yet, in violation of this provision, it will appear, from the testimony of Thomas Leiper, George Williams, Dennis A. Smith, and James W. McCulloch, that it was a common and general practice, well known to the judges of the election and to the directors, to divide shares into small parcels, varying from one to twenty shares to a name, held in the names of persons who had no interest in them, and to vote upon the shares thus held, as attorneys for the pretended proprietors. By some of the witnesses it is avowed that the object was to influence the election. Mr. Leiper, one of the judges of the first election, states that he did so himself. The effect was, that Baltimore, which had about one-seventh of the shares owned by individuals, gave more than one-fourth of all the votes that could be given. In that place there were 1,172 shares taken in 1,172 names, by George Williams, as attorney, the whole of which, it appears from his examination, he owned. At Philadelphia nearly one-third of the shares were owned, and the votes given at that place were about two-ninths of the whole authorized. For a more particular knowledge of these divisions of shares, the committee refer to the statement, herewith submitted, (marked No. 47.) They are not aware that any remarks which could be made by them could present the subject in a stronger light than the above statement of facts. The same persons who thus held the power of appointing directors are found to have the greatest loans on stock. It is alleged that they have now consolidated the shares; but, when occasion shall require their division, former practice will facilitate the operation. In the opinion of the committee, it is the greatest evil in the whole system, and is the origin of all others. So long as the large stockholders can control the choice of directors, so long can they hold and acquire immense amounts of stock, by the proceeds of notes discounted on the shares; and so long as they can obtain such discounts, they can control the election of directors. The system places the property of the other stockholders and of the Government, the credit of the bank and of individuals, and, in a measure, that of the nation, at the mercy of a few large stockholders, who, without having really contributed to the wealth or the value of the institution, have the control of its concerns. It requires a corrective; and the committee are of opinion that it is in the power of Congress to pass a supplementary law, not contrary to, but in support of, the provisions of the charter, and to give it the true and real effect originally contemplated; and they have instructed their chairman to ask for leave to report a bill prepared for that purpose.

The committee deem it their duty also to submit to the House a resolution (marked No. 48) authorizing a discount of a note for \$20,000 at sixty days, and directing that the discount should be paid in a post note, drawn payable at sixty days after date. It is stated by the cashier, in his examination, that that post note was made payable in Philadelphia. They find also a resolution, of the 30th January, 1817, (No. 49,) expressly authorizing the office at Baltimore to grant discounts to the amount of \$100,000, to be paid in post notes at sixty days' date. There is no doubt entertained that this was done at Baltimore, from its subsequently asking permission to do more; although, from the manner in which the books of that office are kept, it would be difficult to ascertain the fact. The only circumstance which throws any doubt on these transactions being deemed usurious is, that, instead of exacting more than lawful interest, the bank has charged and received interest on money that it never loaned. Not being drafts on other offices, they cannot be considered as exchange operations. As the parties have a remedy in the courts of justice for any injury they may have sustained, the committee do not deem it necessary to recommend any provision on the subject.

Under the resolutions authorizing discounts on pledged stock, a form of pledge was adopted, (marked No. 23, *a*;) and under the resolution of July 25, 1817, another form was adopted, (marked No. 32;) both of which were used by those obtaining loans. Although the latter form is in the shape of a mortgage or hypothecation, yet the equitable interest in the stock was in the bank. It might be questioned whether a stockholder could vote upon his shares which had been actually transferred in that form. It does not appear that any objections have been made to such votes, but that they have been received without scruple.

It will be found difficult to reconcile with the ninth fundamental article of the charter a resolution of the 24th June, 1817, by which the board resolved to purchase two millions of public debt, as the agent of the Commissioners of the Sinking Fund, and to deliver it to them at par. That resolution, and a letter of the president of the bank, announcing its purchase, with a statement of its cost, are submitted, (marked No. 50, *a, b, c.*) From these it will appear that the bank had sold two millions of its debt in England, with which to purchase specie. The Secretary of the Treasury claimed the right to redeem it, under the provisions of the charter; and, after some negotiations, a compromise was effected by the bank undertaking to purchase two other millions, in lieu of that sold, and to deliver it at par. The idea of its purchasing as the *agent* of the commissioners is exploded, when it is discovered that the stock cost it \$2,054,264 26, which it was bound to deliver at par, by which a loss was produced of \$54,264 26. It would be a novel idea that a mere agent was to do the business of his principal, solely at the expense of the agent; and it is obvious, from the whole transaction, that the purchase was really on account and for the benefit of the bank, to enable it to maintain its faith with the purchasers of the debt sold in England. The apology for the bank is, that it was done under the sanction of a high officer of the Government; and, although the committee feel bound to say that it was a violation of the article before quoted, yet, under all the circumstances, considering that it was done in good faith, they do not themselves think it such a violation as requires the interposition of Congress.

On the subject of the facilities furnished by the bank to the Government, in the transmission and collection of the public revenue, and its fulfilment of its engagements in discharging the duties of commissioners of loans and agents for military pensions, the accompanying letter of the Secretary of the Treasury, (marked No. 51,) shows that its conduct has been satisfactory.

There appear to have been some contentions between the parent board and some of its offices, but the committee have not deemed them sufficiently connected with any practical objects of inquiry to justify their going into the merits of those controversies, which would be a work of much time and labor, and would not repay the trouble; and it would be unjust to make any statement respecting them, without making it in detail.

In order to give to this House full information of the state of the bank since its institution, a statement exhibiting its condition at different periods, (marked No. 43,) and various tables and statements compiled by the committee, or by them verified, are submitted; among them will be found statements of notes issued payable at each office, and of notes returned to the offices, respectively; reports of the committee of directors previous to each dividend; a complete list of the stockholders of the bank; No. 1 exhibiting the names of those who were such at the first dividend, with their places of residence, and the number of shares held by them, respectively, at that time, and at each subsequent dividend; No. 2 exhibiting the names of those who became stockholders after the first dividend; and No. 3* exhibiting those who became stockholders after the second dividend; together with a list of those who hold shares as attorneys for others. Other letters and miscellaneous documents, not specially referred to in the preceding part of this report, but elucidating the facts stated, will also be found.

Statements obtained from the offices at Richmond and this city are also submitted, which will show that the

* These lists, being voluminous, are omitted.

affairs of those offices have generally been conducted with prudence and ability, and that every effort was made by them to execute the directions of the parent board in a manner the least inconvenient to their customers.

In considering the question, whether the charter of the bank has been violated or not, the committee have thought that the expressions used mean whether, in any instance, the provisions of the charter have not been complied with. There may be many violations of a charter which would not be considered by a court of law as producing a forfeiture. The principle on that subject, the committee believe to be this: those acts of usurpation of powers not granted, of *misuser* and of *non-user* of those granted, which defeat the very objects of the institution, as expressed in the charter itself, would produce a forfeiture; and that all other instances of abuse of the powers granted, or of usurpation of powers, must be punished and restrained either by the ordinary process of *mandamus* and *quo warranto*, or by other means than a dissolution of the corporation. The committee think they are required by the resolution to report all instances of a violation of the provisions of the charter which have come to their knowledge, but they do not consider themselves called upon to state which of them would, in their opinion, produce a forfeiture, or any other legal consequences. And one inducement to this construction of the resolution arises from the consideration, that if they were to confine themselves only to those violations which would produce a forfeiture, and they should give a mistaken or incorrect opinion that the charter had not been violated so as to induce a forfeiture, the House might, under a strict construction of the act, be precluded from expressing any other opinion, and from directing the proceedings contemplated by it; whereas, by reporting all instances of violation that have occurred, without reference to their technical character, the House is left free to pursue any course it may judge proper. In speaking, therefore, of violations of the provisions of the charter, the committee wish to be understood as not expressing any opinion whether such violations would enure a forfeiture or not. They present the facts, and the House will determine whether, under those facts, it be or be not expedient to direct the issuing a *scire facias*, to ascertain whether the violations are such as to cause a dissolution of the corporation.

The committee, then, are of the opinion that the provisions of the charter of the Bank of the United States have been violated in the following instances:

1. In purchasing two millions of public debt, in order to substitute them for two other millions of similar debt, which it had contracted to sell, or had sold in England, and which the Secretary of the Treasury claimed the right of redeeming. The facts on this subject, and the views of the transaction entertained by the committee, have been already given.

2. In not requiring the fulfilment of the engagement made by the stockholders, on subscribing, to pay the second and third instalments on the stock in coin and funded debt. The facts on this point are fully before the House, and they establish beyond all doubt: 1st, That the directors of the bank agreed to receive, and did receive, what they deemed an equivalent for coin, in checks upon, and the notes of, the bank and other banks supposed to pay specie. This substitution of any equivalent whatever for the specific things required by the charter was in itself a departure from its provisions; but, 2d, The notes and checks thus received were not in all cases equivalent to coin, because there was not specie to meet them in the bank. 3d, That notes of individuals were discounted and taken in lieu of the coin part of the second instalment, by virtue of a resolution for that purpose, passed before that instalment became due. 4th, That the notes of individuals were taken in many instances, and to large amounts, in lieu of the whole of the second and third instalments, which notes are yet unpaid.

3. In paying dividends to stockholders who had not completed their instalments, the provisions of the charter in that respect were violated.

4. By the judges of the first and second elections allowing many persons to give more than thirty votes each, under the pretence of their being attorneys for others in whose names shares then stood, when those judges, the directors and officers of the bank, perfectly well knew that these shares really belonged to the persons offering to vote upon them as attorneys. The facts in relation to this violation are in the possession of the House, and establish it beyond the reach of doubt.

The committee are of opinion that no other instance of a violation of the charter has been established.

In closing this report of a most laborious investigation, the committee observe, that, whatever difference of opinion can exist among them as to the results and inferences to be drawn from the facts stated, they unanimously concur in giving to the preceding statements of facts, and abstracts of documents, their sanction. They have not recommended the adoption of any immediate measures to correct the many evils and mischiefs they have depicted, excepting that of the bill before mentioned, because, by the provisions of the charter, the Secretary of the Treasury has full power to apply a prompt and adequate remedy, whenever the situation of the bank shall require it. And if, after the stockholders have become acquainted with the mismanagement of the institution, they shall adopt no means to prevent its continuance, or the directors themselves shall persist in a course of conduct requiring correction, the committee cannot entertain a doubt that the salutary power lodged in the Treasury Department will be exerted as occasion may require, and with reference to the best interests of the United States.

It is due to the officers of the bank at Philadelphia to state, that every facility in their power was rendered in explaining the books and assisting the researches of the committee.

No. 1.

Letter from the Secretary of the Treasury to Messrs. Jones, Girard, Willing, Leiper, and Evans, commissioners.

GENTLEMEN:

TREASURY DEPARTMENT, August 15, 1816.

The information communicated to this Department renders it probable that, in the course of a few days, the sum of \$8,400,000 in gold and silver coin, and in public debt, will have been actually received on account of the subscriptions to the capital of the Bank of the United States, exclusively of the public subscription; and it will then be your duty to notify a time and place, within the city of Philadelphia, for the election of directors, who are to be chosen by the stockholders. As an incident in the performance of this duty, it is presumed that you will deem it proper to provide a suitable building for commencing the business of the bank, at the place designated for holding the election; and, conforming to the general nature of your trust, you will, no doubt, be disposed to make such other preparatory arrangements as will facilitate and accelerate the operations of the institution.

It is, indeed, of high importance to the people, as well as to the Government, that the Bank of the United States should be in an organized and active state before the 20th of February next, when the paper of the State banks which have not returned to metallic payments must be rejected in the collection of the duties and taxes, and when such banks will unavoidably cease to be the depositories of the public revenue.

In this view of the subject I am authorized by the President to recommend that you cause to be prepared such books, engravings, and paper as you shall deem necessary for the commencement of the business of the bank, as soon as the directors shall be chosen by the stockholders. If, however, an opportunity occurs, it will be proper to consult the directors who have been appointed by the Government, although not members of your board, upon the measures pursued in consequence of the present recommendation.

With the advantages of the proposed anticipation, it is believed that the Bank of the United States may be in operation before the 1st of January next; and a hope is still indulged that the State banks will either conform to that event, or adopt the period contemplated by the Legislature (the 20th February next) for a general resumption of specie payments.

I have the honor to be, very respectfully, gentlemen, your obedient servant,

A. J. DALLAS.

Messrs. JONES, GIRARD, WILLING, LEIPER, AND EVANS, *Commissioners.*

No. 2.

Letter from the Secretary of the Treasury to W. Jones, Esq., President of the Bank of the United States.

SIR:

TREASURY DEPARTMENT, November 29, 1816.

Your letter of the 21st instant, communicating the preparatory measures which have been adopted by the board of directors of the Bank of the United States, and their disposition to make every exertion in their power, consistent with the interest and security of the bank, to enable this Department to execute the intentions of the Legislature, in the collection of the public revenue, after the 20th February next, has been received by due course of mail.

You observe that the operations of the bank must necessarily be very limited until the second instalment shall be received, and the principal local banks evince a sincere disposition to co-operate in the important and indispensable work of invigorating public confidence, by resuming specie payments. With that co-operation, the board is of opinion that the attainment of this great object is neither difficult nor incompatible with the safety and real interests of all the solid banks.

From this view of the subject, as well as from a general knowledge of the means with which the Bank of the United States will have to commence its operations, and of the difficulties which it will have to surmount if the State banks do not make a simultaneous effort, it is manifest that, without their co-operation, a national currency equal to the indispensable demands of the community cannot be obtained by the 20th of February next, from the efforts of the bank and Treasury, under the existing legal provisions.

As the principal banks in the middle States, in the month of August last, explicitly stated to this Department their determination not to resume specie payments before the 1st of July, 1817, there is no reason to expect their co-operation before that period, unless a change has in the mean time been effected in their situation, or unless inducements more powerful than those presented in the Treasury proposition of the 22d July last can now be presented to them.

Although the precious metals have, in the interval between that declaration and the present period, continued to flow into the country from abroad, in quantities sufficient to reduce the premium on specie, by exceeding the demands for exportation and for subscriptions to the Bank of the United States, it is not believed that the State banks have replenished their vaults from that source. The influx of specie, however, cannot but be considered highly favorable to the resumption of specie payments. By satisfying the current demands for specie, the inducement to run on the banks has been generally diminished. But admitting, what is not clearly established, that the disproportion between the specie in their vaults and their circulating paper shall render it unsafe to discharge their notes in specie, on demand, simultaneously with the Bank of the United States, it does not follow that an augmentation of their stock of the precious metals is indispensable to that operation. If this disproportion can be reduced within its proper limit by other means, the great object of the Government will be secured.

The requisite reduction of the circulating paper may be effected by the State banks, either by curtailing their discounts, or by the sale of the public debt, of which they are known to be the holders.

If this reduction is effected in the latter mode, no inconvenience will be suffered by the community, and no positive pecuniary loss will be sustained by the banks. If it is effected in the former mode, great individual suffering must necessarily be produced. At a moment when excessive importations of foreign merchandise had involved the mercantile and manufacturing classes in the greatest distress, and menaced them with impending bankruptcy, reason, humanity, and sound policy, all united against the curtailment of bank discounts. Yet, so far as the knowledge of the Treasury extends, the reduction of the circulating paper has in no instance been attempted by the sale of public debt held by the banks.

Curtailment of discounts has been the only process resorted to by them, where any effort has been made to prepare for the resumption of specie payments.

The disregard to individual suffering manifested by this procedure of the State banks has been the result of a conviction, that, when the national currency shall be restored by the efforts of the Government and of the Bank of the United States, the public debt which they hold will be greatly increased in value. This is demonstrable from the consideration that the curtailment of discounts, in good paper, produces a loss of about seven per cent. per annum, whilst the sale of an equal amount of public debt would produce the same effect upon the relative proportion between their specie and circulating paper, and could reduce their profits but six per cent. In calling upon them to sell the public debt which they hold, as the proper and effectual mode of preparing to resume specie payments, no sacrifice is required of them. The public debt every where bears a considerable premium upon the price at which they obtained it. The determination, therefore, which they have formed, not to resume specie payments before the 1st day of July, 1817, is an explicit declaration that they not only will not bear any part of the sacrifice required to restore the disordered state of the currency, but that they will not forego any of the advantages to be derived from that event.

If the view here presented be substantially correct, although changes in the situation of the banks may have taken place favorable to the early resumption of specie payments, yet there does not appear to be any well founded reason to expect any change in the determination which they have formed on that subject.

When the friendly character of the proposition made by the Treasury to the banks on the 22d of July last, and the extraordinary manner in which it was received, are well considered, it does not appear probable that any inducement can be offered by the Government sufficiently strong to divert them from the policy of making the highest possible profit upon the public debt which they hold. In directly addressing their love of acquisition, we can offer them nothing equivalent to the gain which they expect from an adherence to their previous determination. To appeal to their fears, by refusing to receive their bills in payment to the Government, if that appeal should be ineffectual, would be to visit the sins of the banks upon the great mass of unoffending citizens, unless the Government was prepared to furnish a sufficient legal currency to meet the indispensable demands of the community. It is important, therefore, at this time, to ascertain the extent to which the operations of the bank will be able to supply a national currency, by the 20th February next, unaided by the State banks. Is it possible for the Bank to supply the demand, in the commercial cities, which the collection of the revenue arising from imports and tonnage will create in the interval between that period and the 1st of July next? If the emission of bills by the

Bank of the United States, during the period that the State banks refuse to discount their bills in specie, must necessarily be so extremely limited as that a national currency to that extent could not be expected from that source within the first months of its operation, the Government must either furnish a national currency, or it must suspend the collection of its revenue, at least partially, until the operations of the Bank of the United States shall have thrown into circulation a sufficient quantity of its bills to furnish the necessary facilities for that purpose. The period within which the Bank of the United States will, consistently with its security, be able to put into circulation bills equal to the demands of the community, will in a great measure depend upon the facility and cheapness with which specie can be obtained from foreign countries. If the importations of foreign merchandise shall continue to exceed the value of our exportations, as they have done since the peace, the balance must be paid in specie, or by the transfer to foreign hands of the bank stock or funded debt of the nation. The former mode of settling the balance will impose upon the bank the constant necessity of supplying the vacuum produced by the exportation of specie, and the latter will tend to procrastinate the duration of that balance. The suspension, by law, of the collection of the revenue, under existing circumstances, would be an apparent admission of the dependence of the Government upon the State banks, in its fiscal transactions, which could not fail to give them a direct influence over the national currency. The public interest requires that an admission of that nature should be expressly rejected, and that that control should not be exercised.

It appears probable that the deficiency in the circulating medium which must be produced by the rejection of the bills of the State banks in all payments to the Government, on the 20th of February next, must for some time be principally supplied by Government paper of some description. Justice and sound policy forbid the continuance of the present system of Treasury notes. With a large surplus revenue in the Treasury, the Government cannot continue in circulation a paper which subjects them to the payment of interest, or which may be funded at even six per cent., as the period is approaching when it is probable that that stock must rise above its nominal value.

If the Government takes upon itself the principal burden of restoring the circulating medium to specie value, it is improper that all the advantage resulting from that operation should be exclusively enjoyed by the Bank of the United States. As the credit of the nation is to be exerted in producing this revolution in the state of the currency, it is but reasonable and just that a part of the profit resulting from that exertion should enure to the benefit of the national Treasury.

The more readily to effect this object, Government paper not bearing interest, receivable in all payments to the Government, and which shall not be funded at a higher rate of interest than five per cent. per annum, may be placed at the disposition of the Bank of the United States, to be put in circulation, for which the bank shall pay a stipulated interest; or it may be issued by the bank, for the benefit of the Government, upon receiving funded debt at the rates fixed in the act incorporating the bank, or bank stock of any incorporated bank, to the amount issued to any individual, for which service the bank shall receive a reasonable compensation; or a board of directors may be appointed, for the purpose of putting this paper in circulation for the benefit of the Government, confining their operations always to applications where interest-bearing securities shall be pledged by the borrower. It is probable that this system will not interfere with the operations of the bank, as long as that institution shall not be able to put in circulation a sufficient amount of their bills to furnish a circulating medium equal to the indispensable demands of the community. Whenever this shall be effected, the issue and reissue of Government bills to cease.

Should the balance of trade continue to be unfavorable, or should the price of specie rise in foreign countries, the bank would find it extremely difficult, during the first year of its operations, to sustain the continual run upon it, which such a state of things could not fail to produce. In an emergency of this nature, the Government paper could not fail to be a powerful auxiliary to the bank, and a great advantage to the community. The sums drawn from its vaults for exportation would necessarily withdraw from circulation an equal amount of its bills, and leave a void which could not safely be filled but by the issue of Government paper. Whatever portion of this paper should come into the hands of the bank might be reissued, without exposing their remaining specie stock to further diminution. By limiting the amount of Government paper to be put in circulation to the probable surplus revenue during the year 1817, its credit and value would every where be equal to gold and silver.

It is, however, most ardently desired by the Government that the necessity of resorting to the issue of Government paper may be avoided, by the resumption of specie payments by the State banks on or before the 20th of February next. As an inducement to this measure, the Government can only aid their operations by withholding from circulation as much of their paper now in the Treasury, or which may hereafter be received, as the demands upon the Treasury during the ensuing year will permit. As the sum which it will be in the power of the Government to retain in the Treasury will be considerable, it may present a sufficient inducement to change their determination not to resume specie payments before the 1st day of July next.

How far the discrediting of their paper, by refusing to receive it in discharge of duties and taxes, will influence their conduct, can only be ascertained by the experiment.

It may be proper, in closing this long letter, to inform you that no decision has been made upon any of the points presented in it. It must be considered, therefore, as merely sounding this delicate and important subject, with a view to obtain all the information which may be necessary to enlighten the understandings of those who must ultimately decide upon it.

A communication of your views upon the whole question will be received with much pleasure, and will receive the respectful consideration to which they are so highly entitled.

With sentiments of the highest respect, I have the honor to be,
Your most obedient and very humble servant,

WM. H. CRAWFORD.

WILLIAM JONES, Esq., President of the Bank of the United States.

No. 3.

Resolution and arrangement with the State banks for the resumption of specie payment.

JANUARY 31, 1817.—At a meeting of the president and directors of the Bank of the United States:

The board took into consideration the proposition of the convention of banks, made through a committee from that body, to a committee from this board, and reported by the latter at the last meeting; and, after some time spent in considering the same, certain modifications were made, and the committee on the part of this bank authorized to agree to the propositions as modified, as follows, viz:

“ The committee of the Bank of the United States respectfully submit the following modifications of the propositions received from the committee of the State banks, viz:

“ 1st. That the incorporated banks of New York, Philadelphia, Baltimore, Richmond, and Norfolk, engage, on the 20th of the ensuing month, to commence, and thenceforth to continue, specie payments for all demands upon them, and reciprocally to support the credit of each other in their several districts, upon any emergency, until the balances existing between them shall be finally paid off.

"2d. That the whole of the public balances in the receiving banks of New York, Philadelphia, Baltimore, Richmond, and Norfolk, be immediately transferred to the Bank of the United States, and retained in its vaults, (except so much thereof as may be required by the Secretary of the Treasury to meet the current expenditure,) until the 1st of July next, when the same shall be paid off, together with the interest thereon.

"3d. That payment of the balances which may accumulate against the aforesaid banks, subsequently to the transfer of the balances first mentioned, shall not be demanded by the Bank of the United States until the said bank and its branches shall have discounted for individuals (other than those having duties to pay) the following sums, viz:

"For those in New York, two millions.

"For those in Philadelphia, two millions.

"For those in Baltimore, one and a half million.

"For those in Virginia, five hundred thousand dollars: Provided, that if the said bank shall be willing to discount, and shall not have the required amount of good paper offered within the term of sixty days, from the 20th of the ensuing month, at New York, Philadelphia, and Baltimore, and within the same term after the operations of the offices of the said bank in Virginia shall have commenced, the aforesaid banks shall, at the expiration of that time, at the aforesaid places, respectively, pay to the Bank of the United States the balances due by them respectively, together with the interest thereon.

"4th. That the Bank of the United States will engage to discount the required amount, at the respective places, and within the time mentioned in the preceding articles, provided good paper to that amount be offered.

"5th. That in the event of the Bank of the United States and its branches not having a sufficient amount of good paper offered at the respective places mentioned in the third article, within the period therein stipulated, then the Bank of the United States will engage to discount for the said banks the amount of the deficiency, at the respective places, according to the amount of the capitals of the said banks, respectively.

"6th. That the banks aforesaid shall engage, respectively, and in the proportion which their loans may bear to their capitals, to reduce the amount of the said loans, in the ratio of the discounts required of the Bank of the United States and its branches, and that the said reduction shall take place by the 1st of July next.

"7th. That the Bank of the United States will interchange pledges of good faith and friendly offices with the respective banks, and, upon any emergency which may menace the credit of any of the aforesaid banks, will cheerfully contribute its resources, to any reasonable extent, in support thereof, confiding in the justice and discretion of the banks, respectively, to circumscribe their affairs within the just limits indicated by their respective capitals, as soon as the interest and convenience of the community will admit.

"8th. That, upon the mutual agreement of the parties to these stipulations, the same shall be submitted to the Secretary of the Treasury, for his decision upon those points which involve the public balances; and, when approved by him, shall be obligatory on all the contracting parties."

No. 4.

Loans at the Bank of the United States up to the 20th of February, 1817, and debts due to it on that day by other banks.

Loan to the United States, -	-	-	-	-	-	\$500,000 00
Bills discounted for individuals, on pledged stock for second instalment, -	-	-	\$199,921 37			
For paying bonds at custom-house, -	-	-	253,931 83			
For other purposes, -	-	-	216,350 24			
						670,203 44
Debts due from State bank, Boston, -	-	-	330,022 89			
Roger Williams's bank, Providence, Rhode Island, -	-	-	2,520 29			
Phoenix Bank, Hartford, Connecticut, -	-	-	520 59			
Trenton Banking Company, -	-	-	548 14			
Bank of Pennsylvania, -	-	-	36,631 42			
						370,243 33

Abstract respecting notes in circulation.

1817.						
Feb. 20	Amount of notes issued, -	-	-	-	-	\$2,621,389 01
	Deductions—					
Feb. 19	On hand at Bank United States, -	-	-	-	\$666,399 55	
Feb. 20	New York, -	-	-	-	20,858 64	
Feb. 17	Boston, -	-	-	-	451,645 00	
	Baltimore, -	-	-	-	373,900 00	
	Notes charged to office, Baltimore, on their passage, -	-	-	-	158,000 00	
Feb. 20	Baltimore, on their passage, -	-	-	-	100,000 00	
Feb. 18	New York, on their passage, -	-	-	-	432,000 00	
Feb. 20	New York, on their passage, -	-	-	-	100,000 00	
						2,302,803 19
	Amount in circulation, -	-	-	-		318,585 82

Loans at offices, and debts due to the same, up to 20th February, 1817.

1817.						
Feb. 19	Amount of loans at New York office, for what purposes not known at the Bank of the United States, -	-	-	-	-	\$478,988 59
	Notes of New York banks, on hand there, -	-	-	-	-	707,837 85
Feb. 17	Amount of loans at Baltimore office, for what purposes not known at the Bank of the United States, -	-	-	-	-	394,884 49
	Notes of Baltimore banks, on hand there, -	-	-	-	-	15,081 93
Feb. 20	Amount of loans at Boston office, for what purposes not known at the Bank of the United States, -	-	-	-	-	118,074 43
	Notes of Boston banks, on hand there, -	-	-	-	-	57,087 00

No. 5.

Dr.

General state of the Bank of the United States and its Offices of Discount and Deposite at the dates specified herein.

Date		Funded debt of the United States, various.	Loan to the United States.	Bills discounted.	Due from commissioners for receiving subscriptions.	Due from offices of discount and deposite.	Due from State banks.	Expenses.	Notes of Bank U. States and offices on hand.	Notes of other banks on hand.	Treasury notes on hand.	Specie on hand.
1817.												
February 27,	Bank United States,	\$4,829,234 12	\$500,000 00	\$1,222,779 27	\$8,559,764 95	\$3,162,123 14	\$3,860,682 20	\$45,610 73	\$642,570 00	\$171,118 51	-	\$725,354 51
February 27,	Office, Boston,	-	-	212,450 42	-	-	1,339 76	430,145 00	45,634 00	\$54,119 41	330,842 93	
February 26,	Office, New York,	-	-	809,355 91	-	327,095 12	3,265,652 34	1,871 73	122,816 63	1,007 72	295,260 44	
February 24,	Office, Baltimore,	-	-	585,481 73	-	15,000 00	1,721,980 74	-	428,205 00	-	372,651 88	
		\$4,829,234 12	\$500,000 00	\$2,930,067 33	\$8,559,764 95	\$3,504,218 26	\$8,848,315 28	\$48,822 22	\$1,623,736 63	\$587,281 49	\$55,127 13	\$1,724,109 76
March 31,	Bank United States,	\$11,907,365 18	\$500,000 00	\$3,059,832 19	\$8,481,805 89	\$5,268,873 32	\$3,895,839 51	\$58,474 22	\$440,069 54	\$358,348 84	-	\$525,545 67
March 27,	Office, Boston,	-	-	678,796 36	-	-	37,000 00	4,238 16	643,910 00	\$105,604 81	298,925 73	
March 26,	Office, New York,	-	-	2,592,584 18	-	1,375,472 88	1,484,673 77	4,086 72	538,811 77	34,739 02	142,206 69	
March 31,	Office, Baltimore,	-	-	2,378,339 82	-	41,909 88	2,197,550 79	-	55,680 00	310,541 33	388,936 91	
March 29,	Office, Washington,	-	-	149,173 40	-	395,220 79	533,025 63	511 19	116,810 00	48,358 53	37,652 00	
		\$11,907,365 18	\$500,000 00	\$8,858,725 95	\$8,481,805 89	\$7,081,476 87	\$8,148,089 70	\$67,310 29	\$1,795,281 31	\$969,309 98	\$178,268 79	\$1,459,158 69

Cr.

GENERAL STATEMENT—Continued.

Date.		Capital stock.	Bank, branch, and post notes issued.	Discount, exchange, and interest received.	Due to Bank United States and offices of discount and deposite.	Due to State banks.	Deposites on account of the Treasury of the United States.	Deposites on account of public officers	Deposites on account of individuals.
1817.									
February 27,	Bank United States,	\$15,879,865 57	\$3,534,936 89	\$101,468 36	-	-	\$3,646,914 55	\$33,690 34	\$522,361 72
February 27,	Office, Boston,	-	-	-	\$745,849 76	-	273,589 36	34,101 57	20,990 83
February 26,	Office, New York,	-	-	7,294 28	121,816 06	-	4,617,385 44	-	336,348 99
February 24,	Office, Baltimore,	-	-	7,225 59	1,579,197 73	-	1,574,597 69	-	173,042 44
		\$15,879,865 57	\$3,534,936 89	\$115,988 23	\$2,446,863 55	-	\$10,112,487 04	\$67,791 91	\$1,052,743 98
March 31,	Bank United States,	\$23,155,020 64	\$6,360,679 46	\$131,729 66	-	\$186,967 69	\$3,375,599 76	\$675,935 16	\$610,221 99
March 27,	Office, Boston,	-	-	2,910 55	\$811,129 68	261,294 49	136,849 60	357,627 04	198,663 70
March 26,	Office, New York,	-	-	29,857 16	728,026 61	25,739 23	4,482,318 48	520,000 00	638,694 83
March 31,	Office, Baltimore,	-	-	27,410 00	3,273,862 40	13,000 00	1,345,953 00	108,273 89	604,732 40
March 29,	Office, Washington,	-	-	1,538 35	680,083 41	13,774 70	471,557 45	140,903 24	76,438 08
		\$23,155,020 64	\$6,360,679 46	\$193,445 72	\$5,493,102 10	\$500,776 11	\$9,812,278 29	\$1,802,739 33	\$2,128,751 00

Dr.

RECAPITULATION.—February.

Cr.

Funded debt of the United States, various,	-	-	-	-	\$4,829,234 12	Capital stock,	-	-	-	-	-	\$15,879,865 57
Loan to the United States,	-	-	-	-	500,000 00	Bank, branch, and post notes,	-	-	-	-	-	3,534,936 89
Bills discounted,	-	-	-	-	2,930,067 33	Discount, exchange, and interest,	-	-	-	-	-	115,988 23
Due from commissioners for receiving subscriptions,	-	-	-	-	\$8,559,764 95	Due to Bank United States and offices,	-	-	-	-	-	2,446,863 55
Due from offices of discount and deposite,	-	-	-	-	3,504,218 26	Deposites on account of Treasury United States,	-	-	-	-	-	\$10,112,487 04
						Deposites on account of public officers,	-	-	-	-	-	67,791 91
Due from State banks,	-	-	-	-		Deposites on account of individuals,	-	-	-	-	-	
Expenses,	-	-	-	-								10,180,278 95
Cash, viz: Notes of Bank United States and branches,	-	-	-	-	1,623,736 63							1,052,743 98
Notes of other banks,	-	-	-	-	587,281 49							
Treasury notes,	-	-	-	-	55,127 13							
Specie,	-	-	-	-	1,724,109 76							
					3,990,255 01							
					\$33,210,677 17							
Bank, branch, and post notes issued,	-	-	-	-	\$3,534,936 89							
Bank, branch, and post notes on hand,	-	-	-	-	1,623,736 63							
In circulation,	-	-	-	-	<u>\$1,911,200 26</u>							

BANK UNITED STATES, December 21, 1818.

FINANCE.

Dr.

RECAPITULATION.—March.

Cr.

Funded debt of the United States, various,	-	-	-	-	\$11,907,365 18	Capital stock,	-	-	-	-	-	\$23,155,020 64
Loan to the United States,	-	-	-	-	500,000 00	Bank, branch, and post notes,	-	-	-	-	-	6,360,679 46
Bills discounted,	-	-	-	-	8,858,725 95	Discount, exchange, and interest received,	-	-	-	-	-	193,445 72
Due from commissioners for receiving subscriptions,	-	-	-	-	\$8,481,805 89	Due to Bank United States and offices,	-	-	-	-	-	5,493,102 10
Due from offices of discount and deposite,	-	-	-	-	7,081,476 87	Due to State banks,	-	-	-	-	-	500,776 11
						Deposites on account of Treasurer United States,	-	-	-	-	-	\$9,812,278 29
Due from State banks,	-	-	-	-		Deposites on account of public officers,	-	-	-	-	-	1,802,739 33
Expenses,	-	-	-	-		Deposites on account of individuals,	-	-	-	-	-	
Cash, viz. Notes of Bank United States and branches,	-	-	-	-	1,795,281 91							11,615,017 62
Notes of other banks,	-	-	-	-	969,309 98							2,128,751 00
Treasury notes,	-	-	-	-	178,268 79							
Specie,	-	-	-	-	1,459,158 69							
					4,402,018 77							
					\$49,446,792 65							
Bank, branch, and post notes issued,	-	-	-	-	\$6,360,679 46							
Bank, branch, and post notes on hand,	-	-	-	-	1,795,281 31							
In circulation,	-	-	-	-	<u>\$4,565,398 15</u>							

BANK UNITED STATES, December 21, 1818.

[No. 547.

No. 6.

Letter to office at Lexington, reproving it for circulating State bank paper, and directing it to draw.

At a meeting of the president and directors of the Bank of the United States:

W. Jones, president; Messrs. Butler, Bowne, Ralston, Price, Bohlen, Leiper, Evans, Wetherill, McEuen, Savage, Bryan, Goddard, Fisher, Connelly, Bolton.

October 7, 1817.—The following letter, prepared by the president, was read, and ordered to be forwarded to the office at Lexington, viz:

GENTLEMEN:

BANK OF THE UNITED STATES, October 4, 1817.

It appears, from undubitable sources of information, although no official intimation of the fact has been received, that you have been pleased to adopt certain measures in relation to the exchange operations of your office, and the circulation of local bank paper, as a substitute for that which had been transmitted to you from this bank, which, in their character and effect, are no less at variance with the interest of the institution, and of the public, than they are contrary to the letter and spirit of the rules, regulations, and instructions prescribed for your government, to which I beg leave to refer in support of this declaration.

It is affirmed that you have for some time past been in the practice of withholding from circulation the bills prepared for your office, of selling them at a premium of one and a half per cent., and issuing from your counter, in lieu thereof, only the notes of the local banks, or specie.

It is as impossible to account for these novel proceedings, upon principles in any degree compatible with the obligations, interest, and character of the institution, as for your silence upon so momentous a subject; and it may be found as difficult to sustain their legal propriety as it is to prove their utility, or to allay the consequent discontent which has already been manifested.

No doubt is entertained of the purity of your motives, and the respect in which you are held by the parent board; and that which is due to its own character and authority forbids the idea of any intentional disregard of the rules and instructions which it had prescribed for your conduct.

Your object was, no doubt, to check the practice of remitting the notes of the office to the eastward, as a substitute for exchange, as individuals prefer them for that purpose either to specie or your drafts, unless the latter can be obtained at a very small premium; but, in selling your current notes at a premium, you pervert their use, withhold them entirely from circulation, and substitute the notes of the State banks; thus depriving the Bank of the United States and the public of the benefits of that circulation, and transferring the advantages exclusively to banks who are your debtors, and whose credit is thereby extended to the prejudice of this institution, while its offices are degraded to the level of the humblest money-dealer, and the principal objects, public and private, for which the bank was created, are perverted.

The wants of the country and the interest of the bank require an extensive circulation of its paper; and it is the policy of the parent board to encourage the indiscriminate use of the notes of the bank, reserving for imperious circumstances, and inevitable occasions, the exercise of the legal right which it possesses of declining to receive or pay, except at the respective places where payment is promised on the face of the notes. Therefore, to retain in local circulation the paper of any office, against which the course of exchange may operate, it is only necessary to remove all temptation to remit in its current notes, by furnishing drafts on the bank, or its offices, at a very low premium, or even at par, which will effectually remedy the evil. You receive value for your drafts, and should the course of exchange continue so adverse as to preclude the reimbursement of the amount by the purchase and remittance of bills of exchange on the Eastern or Southern cities, there is no alternative but to transmit the specie, which is, however, an extreme case, not likely to occur in a rich and flourishing country.

This simple view of the subject, it is believed, will embrace every variety of case which can occur, and supersede the necessity of further amplification.

I am, therefore, instructed to prescribe for your government the following additional regulations, to wit:

1st. You will cease to issue the paper of other banks from your office, except in such small bills and sums as may be indispensable, from the want of the paper of the office.

2d. On no account demand a premium on the notes issued from the office; but circulate them freely, and receive on deposit, or in payment, the notes of this bank and any of its offices.

3d. Draw on this bank, and any of its offices south or west of this place, at a moderate premium, or at par, if you should find it necessary, in order to prevent the substitution of your notes for your drafts.

4th. Reimburse the bank and its offices on which you may draw, as opportunities for purchasing bills may occur; and for this purpose you may purchase bills of exchange having not more than four months to run.

5th. When the notes of any of the banks in your vicinity have accumulated in your vaults to the sum of \$20,000, you will demand payment, either in specie or in such bills of exchange as may enable you to remit to this bank, or any of its offices east of the mountains, or to the office at New Orleans; and if the demand shall not be satisfied, you will cease to receive the notes of any such bank, unless it shall engage to pay interest, and liquidate the balance in a reasonable time.

6th. You will not receive on deposit, or in payment, the notes of any State bank other than those of the State in which your office is located, and of these only of such as may enable you to exchange notes, and liquidate balances, with the necessary promptness, facility, and punctuality. The deposits made on account of the public revenue will, however, form an exception to this rule; but you will be pleased to bear in mind, that the notes of such banks only as actually pay them on demand in specie can be received as a general deposit or in payment.

I have been particularly directed to invite your attention to the regulations and instructions heretofore transmitted, and to the modifications contained in the foregoing articles, from which it is confidently expected there will be no material deviation, without the previous sanction of the parent board.

I have the honor to be, with great respect, gentlemen, your obedient servant,

W. JONES, President.

The President and Directors of the Office Bank U. S., Lexington, Kentucky.

No. 7.

Statement of the special depositories received on account of the Treasurer of the United States.

BANK UNITED STATES, *December 21, 1818.*

No. 8.

Communication from William Jones, Esq., respecting the Charleston office.

SIR:

BANK OF THE UNITED STATES, December 23, 1818.

As a further illustration of the difficulties with which the Bank of the United States has had to contend in its intercourse with the State banks, whose paper is received in payments due to the bank as well as to the United States, I deem it my duty to exhibit to the committee of inquiry of the House of Representatives of the United States a copy of a letter from the president of the office of discount and deposite at Charleston, dated the 4th inst., by which you will perceive the unwarrantable excitement and hostility produced by the simple demand of a part of the very large balances which have been suffered to continue, from time to time, on the books of the office against the banks in that place, under the assurances of those banks, and of the late president of the office, that they were at all times ready to pay the amount on demand in specie.

As the temporary vault of the office of discount and deposite was inadequate to the safe-keeping of the specie, the demand has been suspended until the urgent circumstances which induced the report of the committee on the state of the bank, on the 30th of October last, rendered it indispensable. The Charleston banks have never been charged with interest on the large balances constantly owing by them, because the amount was considered as held in safe-keeping for the Bank of the United States; and although they have for a long time enjoyed the gratuitous use of from 5 to \$800,000 of the capital of the Bank of the United States, they are now unwilling to relinquish this source of gain, not that the payment will compel them to press their debtors, but to sell their funded debt, or other stocks, upon which they are also drawing an interest.

The statement book, to which I beg leave to invite your attention, will show that the situation of the office at that place has, at all times, been better than any other; and that its ample means of accommodation have been extended, with unbounded liberality, to the State banks. Yet, as you will perceive by the letter of the president of the office, they have menaced the bank with their efforts to excite the State Legislature to tax the office. This, in all probability, has been attempted, as the public papers announce the prompt rejection of a proposition to that enlightened body for that purpose. Their groundless resentment will not divert the directors of the Bank of the United States from a steady perseverance in their duty to the public and the institution, nor from the liberal course of conduct which has at all times marked its intercourse with the State banks, whenever it could be indulged without sacrificing the interests of the nation and the corporation for the benefit of a particular community, whether of banks or of individuals.

The power of taxing the Bank of the United States is, fortunately, not in the hands of its ungenerous rivals, but that of suspending specie payments they have already exercised with impunity; and the worst feature in the letter of the president of the office is, the intimation that they may probably suspend specie payments.

The last statement from the office at Charleston, of the 8th instant, after the drafts had been made which produced the excitement, exhibits an aggregate balance against the banks of that place of upwards of \$600,000, including their notes on hand.*

You will please observe, sir, that the aggregate amount of the balances (including notes) due by the Charleston banks, on the 10th of November, when the resolution of the 30th of October reached the office, was \$742,462 44; and the statement of the 8th instant exhibits a similar balance of \$611,896 96; the excitement must, therefore, have been produced by drafts of not more than \$130,565 50, out of the large balance first mentioned, from the 10th of November to the 10th of December instant.

This statement of facts is respectfully submitted, in order to correct the misrepresentations which are industriously disseminated in respect to the conduct of the Bank of the United States in its intercourse with State institutions.

I have the honor to be, with great respect, sir, your obedient servant,

W. JONES, President.

The Hon. J. C. SPENCER, *Chairman of the Committee of Inquiry.*

GENTLEMEN:

OFFICE OF DISCOUNT AND DEPOSITE, CHARLESTON, December 4, 1818.

We received your different resolutions through our cashier, and provide to the utmost of our ability for their execution. We have shipped \$100,000, in specie, to Savannah branch, and are now shipping \$150,000 to you, in the Georgia Packet.

The remainder of the sum appropriated for the Savannah branch we will provide in bills of exchange, and such other credits in Georgia, as will satisfy them, and greatly relieve us. The safety of the institution being the paramount consideration, we have informed them that the balance cannot be sent in specie.

The apprehension of drafts for specie, for the East India trade, and the speculations of brokers and others, obliged the banks generally to reduce their discounts at a time when a large proportion of their funds was in stock notes; our notice to them, that they must reduce their balances, and that we would call for specie, increased the alarm, and your recent drafts have completed the panic. The calls for money were increased by the usual current of business at this season of the year, and merchants of great respectability, accustomed to draw and redraw for funds to purchase our produce, are now embarrassed by their acceptances. This want of available funds is increased by reaction; for the planter being unable to sell his crop, the merchant is thereby disappointed in his well-founded expectation of payment for credits and advances; so that merchants, planters, and tradesmen, are all pressing their applications to us with such importunity, that they cannot be resisted, although we had resolved that the discounts should every week be less than the receipts.

* Balances, including notes due the offices, per statements.

August 4, 1818,	-	-	-	-	\$604,000
September 1, 1818,	-	-	-	-	865,000
October 1, 1818,	-	-	-	-	931,000
November 3, 1818,	-	-	-	-	746,000
December 1, 1818,	-	-	-	-	735,000
					5)3,881,000
					Average, -
					776,200

These embarrassments are all charged to us; we are accused of hostility to the other banks, and of oppressive drafts on them for their specie capital; the sensation excited is great, in proportion to the wants and disappointments of each individual; the other banks encourage the impression, and we understand that the banks of the State will apply to the Legislature, now in session, to tax or otherwise embarrass us.

Besides this, the solvency of some houses, otherwise safe, becomes questionable; and the banks, if called on too hastily for specie, will no doubt unite to refuse, and rely on the confidence of the community as their shield. In this extremity of the Union, there is reason to fear that they would be shielded, as happened during the late war.

If your resolution, in such a contingency, must be enforced, what would be the consequence? There is no other circulating medium; very few of our notes are seen here, and dollars are not to be had at any price. Neither payment nor deposite can be made with us; our depositories would be withdrawn, and the other banks strengthened by them. They, being relieved by the stand assumed, (at least for a time,) will resume their discounts, while we must close ours, and be left in an awkward predicament.

There is no want of stability in any of the banks; they hold a large amount of funded and other stock, and possess the entire confidence of the community. We believe they only want a little time for the resources of the country to unfold themselves, for money to be sent from abroad to purchase our produce, and enable them to reduce their discounts. In the mean time, a little forbearance would prevent much mischief.

With much respect and esteem, I remain your very humble servant,

JOS. JOHNSON, *Pres't pro tem.*

To the President and Directors of the Bank of the United States.

No. 9.

Letter of the President of the United States Bank, in answer to inquiries respecting the payment of notes of the bank and its offices.

SIR:

BANK OF THE UNITED STATES, December 16, 1818.

To the interrogatories put to me in your letter of the 11th instant, I have the honor to reply:

To the first: That in no instance within my knowledge have any notes of the Bank of the United States been refused payment in specie, when demanded at the place designated in the body of the note, according to the obligation therein expressed; but that notes of the corporation, made payable at the bank in Philadelphia, and at the offices of discount and depository severally, have been refused payment in specie, when demanded where payment was not obligatory, "according to the contract, promise, or undertaking therein expressed."

The reasons for such refusal are to be found in the authority derived from the seventeenth section of the act of incorporation, and the manifest impossibility of providing for the indiscriminate redemption of the bills of the corporation at nineteen distinct places, embracing the extremes of the Union.

To the second: That notes of the bank have been refused acceptance as private depositories, and in payment of debts due to the bank, as well by the bank as the offices generally, in cases where the notes thus offered have not contained the promise of payment at the place where the same may have been presented. To receive them on depository, is an engagement to pay that depository in specie; and to receive them in payment of debts due to the bank, would produce the same effect indirectly; for a debtor would pay his debt to the bank in those notes, in preference to the local funds which he might possess.

For the circumstances under which the refusal, in both cases, took place, and for further reasons in support of the measure, I beg leave to refer to the enclosed copy of a letter from the board of the office of discount and depository at Boston, on the 19th March last, when that board came to the resolution of declining to receive the Southern bills of the corporation; also, to the report of the committee on the state of the bank, which was adopted by the board of directors, and entered on the minutes, on the 28th August last.

I have the honor to be, with great respect, sir, your obedient servant,

WM JONES, *President.*

The Hon. J. C. SPENCER, Chairman of the Committee of Inquiry.

SIR:

BOSTON, March 19, 1818.

The directors of the branch bank in Boston, encouraged by the relation in which they stood to the Bank of the United States, have now proceeded in business more than one year. It has been known to the parent bank that the directors of this institution have been united in the opinion that there was not appropriated to this branch an adequate capital to meet those great and important objects which were expected from it. When a bank like that of the United States, with an adequate capital, is set in operation, and puts into circulation its paper, redeemable at different places by its branches, under the idea that the general issue of all its paper is to be responded to at each place, it would seem to follow, irresistibly, that, to meet these demands, it should be relatively and proportionately distributed; if, however, evidence were competent to this, (which may be doubted,) many important consequences would follow, in the equalization of exchange, convenience in intercourse, and other wants highly beneficial to the community. The importance of this great system, as well as the dangers that would follow from a want of success, have given a high degree of interest to the experiment.

The reluctant departure from this system is first with us, and we are desirous to show what our state and means were, that the directors of the national bank may have the materials for judging from what causes it has proceeded, and under what circumstances it can again be recurred to, if ever. We hope to be excused if, in remarking on the causes which led to this, our observations appear partial or limited. We suggest them from a sense of duty. In giving them just weight with your general and more extensive knowledge, we trust some utility may be derived from experience, and the benefit of the institution promoted. It would be a difficult thing, in the short compass of a letter, to say what the capital of the branch in Boston is. Their discounts are short of \$900,000, and yet such is, and has been their situation, that, with a vast facility and the aid of the State banks, they have not been able to maintain their credit without the greatest difficulty. If the whole sum discounted were capital, we should doubt its adequacy to the proposed useful objects of the bank; but when placed in its due relation to the sum discounted, it would probably, by this rule, consist of little more than half a million of dollars; every other estimation would make it much less; and it would appear, from a subjoined statement, that its amount was no more than \$210,000. This would give this branch the one hundred and seventy-fifth part of the present national capital; the whole sum discounted, if to be considered capital, would be but about one thirty-fifth part. The old Bank of the United States allowed to the Boston branch about one-fourteenth, and this with very limited operations.

We may consider this place as one end of a great balance, resting on a common centre, the parent bank. If great emissions of paper take place at the other extreme, there must, of course, be a counterpoise here. Many facts will show this not to have been the case, nor shall we say that this difficult adjustment is practicable. When the State banks were discounting here, though not largely, this branch called in from its debtors about thirty per cent. regularly; this placed them in a better state. By reducing their sums discounted considerably, they required a balance against the other banks for a few days, but this only induced a call from the State banks of their debtors; the result is, that, as they operate upon their whole system, immediately, as it were, by its tangibility, they have a remedy. But this branch has not merely its want of sufficient capital to cope with, but the mass of paper thrown out at an opposite extreme to provide for, of which it cannot, in any case, have the wished-for information. In times of pressure these things are tested, and a recent occurrence will show how extensive their operations may be. On Monday last the bank made no discount to be mentioned, nor had they done so for many weeks previous; they had a balance of \$93,000 against the other banks in town, and in specie about \$23,000; Tuesday took from them about \$30,000, and Wednesday about \$50,000; and it followed, that as a great proportion of this is in Southern bills, produced by the scarcity of money here, and an effect of the existing circulation or balance trade, this must produce, by what is equivalent to mathematical demonstration, a demand, which the specie of the bank, and its balance against all the other banks in the town, would not half discharge.

This has induced the calling a special meeting of the directors to take into consideration the state of the bank; and although the alternative is most painful to them, and will disappoint the directors of the parent bank, as well as public expectation, still the experiment has been continued till the institution is on the verge of a failure to fulfil its most important and essential duties; and they are compelled to decline receiving the Southern bills, at least for the present. It is presumed no doubt can be had that, under existing circumstances, the experiment has been sufficiently tried. The only fear of the directors is, that with more than \$300,000 interest to pay on the 1st of April next to the public creditors, they have too far yielded their judgment to those who saw, in the equalization of exchange, by the general currency of the bills of the parent bank, a favorite theory, but too extensive, as we fear, to be carried into practical effect.

Under these circumstances, the directors will avail themselves of every means of support in their power, and have to request such aid of the general directors as their ability may enable them to afford, and the critical situation of this institution so strikingly and imperiously requires.

I have the honor to be, with much respect, your most obedient servant,

WM. GRAY, *President, (per order of the directors.)*

WM. JONES, Esq., *President Bank U. S., Philadelphia.*

Statement accompanying copy of the letter of William Gray, President of the Boston Office, of March 19, 1818.

Balance to credit of the bank and branches, - - - - -	\$1,025,765
Deduct notes of this office received, forming part of said balance, - - - - -	\$558,000
Deduct notes of the parent bank and branches, redeemed at this office, - - - - -	304,530
	862,530
	163,235
To which may added the bills of this branch, which may have been redeemed by the other branches, suppose - - - - -	47,000
	<u><u>\$210,235</u></u>

No. 10.

Report of committee recommending resolution to refuse payment of notes of the offices, and directing offices to do the same.

August 26, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Butler, Leiper, Goddard, Connelly, Evans, Sergeant, Ralston, McEuen, Lippincot, Price, Savage, Lisle, Bohlen.

The committee on the state of the banks, in continuation of their report on the 20th of July last, having maturely reflected upon the partial circulation and quick return of the bills of the corporation upon the bank, and such of its offices as the course of exchange, the facility of converting them into specie for exportation, and the convenience of adventurers may induce, respectfully represent: that a retrospect of the management of the bank, under the difficulties which have attended its liability for the payment in specie of the bills of State banks received on deposit, both public and private, and in payment, as well of individual bills and notes, transmitted from place to place for collection, as for debts due to the bank, and for the drafts of the bank and its offices, reciprocally, at par, affords ample evidence of the liberality and public spirit of its measures, as the forbearance of the direction with the numerous State banks, its debtors, does of the conciliatory policy by which the institution has been governed; that this course was, in the commencement of the operations of the bank, indispensable to the general resumption of specie payments by the principal State banks, and the reduction of the excessive difference in the exchange between the cities in which they are located; that, with the same view, the bank and its branches (with the discretionary exception of those at New Orleans, Savannah, and Charleston, and recently that at Boston) have received the bills of the corporation indiscriminately, without regard to the object or place of payment; that in order to invigorate and confirm public confidence, and to facilitate the commercial intercourse of the Union at large, the same course has been continued, and the five Western offices have furnished drafts on the banks and its Eastern offices, at a trifling premium, altogether inadequate to the specie obligations which these drafts impose, or the real difference of exchange against the places in which they are located; that, notwithstanding this cheap and convenient mode of remittance, the bills of the corporation, instead of circulating as a currency, are converted into a medium of equal exchange, payable at sight, in any of the Eastern cities, because this quality renders them more valuable than any other currency in general circulation; and as the course of exchange is constantly adverse to the Western country, an ample compensation for the risk of miscarriage is found in the means they every where afford of a prompt par remittance to any part of the Union; that the influx of these bills, and others from the South, at the bank, and its offices at New York and Boston, has been at times so sudden, and of such magnitude, as to produce serious inconvenience, because it is as impossible to estimate, at any time, the amount, or anticipate the point at which payment may be demanded, as it is to comprehend the probable extent and dura-

tion of their circulation, while they afford the best medium of exchange, and facilitate, as they are made to do, the pernicious wholesale traffic in specie, by corporate as well as private dealers; that were it not for the deluge of spurious bank paper, which has vitiated the morals, and driven from circulation the lawful currency of the country, it is reasonable to conclude that the facilities and advantages which the Bank of the United States has afforded, and the peculiar value in a commercial view imparted to the bills of the corporation by the certain currency and ready conversion into specie at its numerous offices, could not have failed to enhance the reputation and increase the utility, circulation, and profit of the institution; but, unhappily for the country, the reverse of all these has been felt to an injurious degree; and, therefore, prudence appears to require, and duty to the public as well as the corporation to demand, a change of system, by which the rights and immunities of the institution may be fairly enjoyed, and its utility extended, without hazarding its capital, or impairing its just profits by unreasonable and useless sacrifices.

Under these impressions, your committee respectfully recommend the adoption of the following resolutions:

Resolved, That all the offices of this bank forthwith cease to pay, or receive in payment or on deposit, any bill or notes of the corporation other than those which are specially made payable at the said offices, respectively, unless the same shall be tendered in payments due to the United States.

Resolved, That the said offices, respectively, cease to receive and transmit to this bank, or any of its offices, any bill or note for collection, unless the party depositing the same shall agree to accept payment at the place of collection, or unless the office shall find it convenient to receive, and the party depositing the same shall agree to allow, a reasonable compensation for remitting the amount to the office where such bill or note shall have been deposited; but it will be the duty of the offices to decline receiving bills or drafts for collection, when it may be considered incompatible with the interest of the bank.

Resolved, That the said offices forthwith cease to draw on this bank, or on each other, unless for the proceeds of bills or notes founded on real business transactions, and purchased at the current rate of exchange, (exclusive of the discount for the time the same may have to run, which must not exceed one hundred and twenty days, including the time required to transmit by mail any such bill or note to the place at which the same shall be payable,) unless a premium, equivalent at least to the expense, risk, and loss of time incurred in transmitting specie to the bank or the office (as the case may be) on which such draft may be drawn, shall be allowed for the same; and provided that the offices west of the mountains confine their exchange operations to Eastern bills, or bills payable at New Orleans, and draw on the bank and its offices only for the proceeds thereof, and for no other object.*

* *Note by the committee of the House of Representatives.*—The above resolutions were adopted by the board.

No. 11.

Statement of the monthly balances of accounts between the Office of Discount and Deposite at Baltimore and the Bank of the United States at Philadelphia and its offices.

Date.	Bank United States at Philadelphia.	Office at New York.	Office at Boston.	Office at Washington.	Office at Charleston.	Office at Richmond.	Office at Norfolk.	Office at Savannah.	Office at Lexington.	Office at Cincinnati.	Office at New Orleans.	Office at Louisville.	Office at Chillicothe.	Office at Pittsburg.	Office at Fayetteville.	Total Dr.
1817.																
April 30,	Cr. 603,632	Cr. 775,025	-	Cr. 169,289	-	Cr. 22,389	-	-	-	-	-	-	-	-	-	\$1,570,335
May 31,	Cr. 2,222,432	Cr. 1,510,571	Cr. 296,172	Cr. 44,430	-	946	Cr. 109,608	-	-	-	-	-	-	-	-	4,184,159
June 30,	Cr. 2,648,288	Cr. 1,786,591	Cr. 112,734	Dr. 81,490	Cr. 1,535	Dr. 65,860	Cr. 43,992	Dr. 3,409	Cr. 2,537	Dr. 9,331	Dr. 2,405	-	-	-	-	4,207,714
July 31,	Cr. 1,664,975	Cr. 1,740,390	Cr. 103,563	Cr. 95,154	Cr. 661	Dr. 76,671	Cr. 10,341	Dr. 3,940	Cr. 857	Dr. 12,361	Dr. 6,423	-	-	-	-	3,309,420
Aug. 31,	Cr. 2,611,450	Cr. 1,740,191	Cr. 34,097	Dr. 63,733	Cr. 17,952	Dr. 197,907	Cr. 2,749	Dr. 4,698	Cr. 10,040	Dr. 14,528	Dr. 8,455	-	-	-	-	4,127,158
Sept. 30,	Cr. 2,911,805	Cr. 1,790,348	Cr. 37,663	Cr. 12,470	Cr. 21,645	Dr. 149,448	Cr. 33,259	Dr. 8,561	Cr. 12,540	Dr. 16,521	Dr. 13,240	-	-	-	-	4,631,960
Oct. 31,	Cr. 5,203,658	Cr. 1,935,608	Cr. 58,146	Cr. 66,919	Cr. 27,433	Dr. 73,086	Cr. 37,354	Cr. 6,849	-	Dr. 22,519	Dr. 8,291	-	-	-	-	7,232,071
Nov. 30,	Cr. 5,737,177	Cr. 1,902,180	Cr. 128,592	Cr. 92,318	Cr. 23,865	Dr. 22,454	Cr. 52,428	Cr. 11,809	Cr. 6,843	Dr. 50,252	-	-	-	-	-	7,882,506
Dec. 31,	Cr. 7,395,972	Cr. 1,947,007	Cr. 193,823	Cr. 12,461	Cr. 21,699	Cr. 55,690	Cr. 18,412	Cr. 11,707	Cr. 32,273	Dr. 52,090	Dr. 5,791	-	-	Dr. 193	Dr. 2,949	9,628,021
1818.																
Jan. 31,	Cr. 7,282,283	Cr. 1,915,513	Cr. 213,467	Dr. 11,374	Cr. 26,655	Cr. 63,381	Cr. 80,477	-	Cr. 1,797	-	Dr. 20,450	-	-	-	-	9,501,749
Feb. 28,	Cr. 6,447,536	Cr. 1,666,238	Cr. 215,616	Cr. 10,964	Cr. 26,679	Cr. 52,729	Cr. 56,524	-	-	Dr. 17,303	-	-	-	-	-	8,458,983
March 31,	Cr. 7,636,714	Cr. 535,475	Cr. 190,254	Cr. 125,817	Cr. 16,825	Dr. 39,464	Dr. 18,480	Cr. 4,158	Cr. 31,300	Dr. 62,445	Dr. 8,899	-	Dr. 9,255	Dr. 12,877	-	8,388,923
April 30,	Cr. 7,584,532	Cr. 538,719	Cr. 52,030	Cr. 64,549	-	Dr. 73,214	Dr. 16,221	-	Dr. 79,870	Dr. 14,413	-	-	-	-	-	8,056,092
May 31,	Cr. 7,980,395	Cr. 643,554	Cr. 44,073	Cr. 210	Dr. 15,197	Dr. 53,210	Dr. 52,685	Dr. 32,034	Dr. 105	Dr. 93,078	Dr. 41,317	Dr. 6,946	Dr. 8,750	Dr. 24,656	Dr. 12,584	8,327,670
June 30,	Cr. 8,641,431	Cr. 665,111	Cr. 4,404	Cr. 51,640	Dr. 202,034	Dr. 51,096	Dr. 44,855	Dr. 64,181	Cr. 3,104	Dr. 89,794	Dr. 45,777	-	Dr. 14,157	Dr. 38,060	-	8,806,928
July 31,	Cr. 8,386,375	Cr. 640,400	Dr. 21,420	Cr. 5,184	Dr. 310,688	Dr. 49,908	Dr. 23,677	Dr. 78,502	-	Dr. 102,697	Dr. 46,267	-	-	Dr. 35,190	-	8,363,630
Aug. 31,	Cr. 8,929,396	Cr. 249,080	Dr. 57,253	Cr. 67,269	Dr. 336,033	Dr. 16,991	Dr. 14,560	Dr. 94,346	-	Dr. 110,357	Dr. 94,321	-	-	Dr. 31,619	-	8,490,265
Sept. 30,	Cr. 9,059,417	Cr. 101,268	Dr. 563	Dr. 18,206	Dr. 487,169	Dr. 2,127	Dr. 28,400	Dr. 108,756	Dr. 16,784	Dr. 121,018	Dr. 133,577	Dr. 4,829	Cr. 15,656	Dr. 35,609	Dr. 15,191	8,172,800
Oct. 31,	Cr. 8,708,998	Dr. 97,278	Dr. 33,184	Cr. 10,675	-	Dr. 6,713	Dr. 10,944	-	-	-	-	-	-	-	-	8,571,554
Nov. 30,	Cr. 7,653,855	Dr. 10,948	Dr. 5,347	Cr. 45,786	Dr. 2,120	Cr. 17,368	Cr. 39,366	Dr. 11,284	Dr. 9,796	Dr. 33,681	Dr. 3,787	Dr. 5,916	Cr. 25,902	Cr. 33	Dr. 3,676	7,695,755

No. 12.

Drafts of the branch of Bank of the United States at Baltimore on the different offices, from April, 1817, to November, 1818, inclusive, viz:

	Philadelphia.	New York	Boston.	Other branches.	Am't carried out.
1817.					
April,	-	-	\$152,509	\$68,470	-
May,	-	-	200,031	63,493	-
June,	-	\$229,850	165,214	65,853	-
July,	-	253,292	126,349	136,413	-
August.	-	114,162	143,669	184,267	-
September,	-	776,026	172,851	122,736	-
October,	-	297,587	121,499	64,062	-
November,	-	209,221	139,291	81,506	-
December,	-	164,410	77,902	55,050	-
1818.					
January,	-	203,622	49,792	33,000	-
February,	-	73,024	28,718	21,750	-
March,	-	167,049	150,417	15,218	-
April,	-	91,434	25,048	3,518	-
May,	-	211,550	40,981	6,000	-
June,	-	271,868	27,672	-	-
July,	-	85,000	14,911	72	-
August,	-	342,124	1,660	2,000	-
September,	-	140,126	1,000	102,600	-
October,	-	28,000	10,300	1,000	-
November,	-	25,812	181,700	45,000	-
Since Oct. 1817, (a)	-	-	-	\$1,294,000	1,294,000
Total,	-	\$3,684,157	\$1,831,514	\$1,072,008	\$7,881,697

(a) Prior to October, those drafts were of inconsiderable amount, and therefore were not noted then; after that time, drafts were principally on Richmond, Norfolk, Charleston, Savannah, and New Orleans; some of the largest amounts were in favor of Jonathan Smith, cashier of the Bank United States, and intended to reduce the balances against the branch of Baltimore at Philadelphia.

No. 13.

Respecting Baltimore discounts and drafts.

SIR:

BANK OF THE UNITED STATES, June 27, 1818.

The board of directors, taking into consideration the unliquidated balances due to the Bank of the United States by the banks of this city, Baltimore, and the District of Columbia; the large balances due to and rapidly increasing in favor of the branch and banks in New York, for which it is absolutely necessary to provide; the low state of the specie and individual depositories at your office, and the magnitude of your discounts and those at this bank, as well for Baltimore as this place; and the very inadequate and disproportioned amount of discounts to which the office of New York has been restricted, in consequence of the daily and excessive drafts from your office and this bank, which has become the subject of just animadversion, has directed me to communicate to your board the injunction of the parent board to restrict your future discounts to an amount which shall not exceed the actual amount which may be discounted at your office on the receipt of this letter.

I have the honor to be, with great respect, sir, your obedient servant,

W. JONES, President.

JAMES A. BUCHANAN, Esq., President Office of the Bank of the United States.

No. 14.

Letter to the office at New York, instructing not to collect drafts for banks, and admitting that it had been improperly restricted in its operations.

SIR:

BANK OF THE UNITED STATES, June 28, 1817.

Indispensable avocations have postponed my reply to your letter of the 21st; and as misapprehensions appear to exist, in regard to the operations of exchange, as intended to be conducted by the Bank of the United States and its offices, an exposition of the views of the board of directors on that subject may prevent any future misconception, and serve as a rule for future operations.

The two cases which you appear to consider as perfectly analogous are, in the view of the board, not only distinct, but entirely opposite in their nature and effects. It never has been in the contemplation of this board to furnish to the State banks all the facilities of exchange, and the means of extending their credit and circulation, while the bank and its offices alone should undertake the invidious task of demanding, and the expense and risk of transporting specie, to liquidate the balances which these very facilities would create between the State banks, and always to the prejudice of the Bank of the United States; for neither the bank nor its offices would be made the medium of collection, where money was most in demand. An accommodation of this nature would enable the State banks to extend to their customers all the facilities and advantages in exchange which the Bank of the United States could do; remove the inducement which good customers would otherwise have to give the bank and its offices the preference; and thus the State banks would escape the odium, expense, and trouble of supplying the entire specie demand, and fix them upon the Bank of the United States.

The State banks have the ready means of collecting the debts which may accrue among them by their own operations; and there is no reason, either in equity or policy, why the Bank of the United States should be made the unpopular instrument of their convenience. If it is their policy, or their interest, to establish a reciprocal credit, they are bound to provide the means of reimbursement.

The real object of the Bank of the United States is, to supply the individual demands for exchange; to afford the merchant the means of remitting without loss; and, by facilities and advantages which he cannot obtain elsewhere, to make it his interest to transact his business with the bank and its offices. Your board will therefore be pleased, in future, to decline receiving for collection the drafts or checks of the banks in your city, upon the banks in other cities, until otherwise authorized by this board.

It is not necessary again to refer to the unfavorable effect which the indulgent construction of the articles of the compact, in regard to the checks of your banks on those of this city and Baltimore, subsequently to the adjustment of the primitive balances, has produced, or indeed to any other part of the compact, as it will expire on the 30th instant; nor can it be useful to enter into a discussion of the propriety of discounting to the extent which it is presumed has been done in this place and Baltimore.

The board of directors, with an impartial view to the interest of the stockholders at large, and its means of diffusing the benefits of the bank, has most earnestly desired to place your office in a better situation. But it has had difficulties of no ordinary character to contend with; and I am persuaded the character of your board is too intelligent and liberal to judge of the actions of this board by the local and temporary inconvenience which the state of things existing prior to the operations of the bank had forced upon your office.

To remedy these evils will be the steady purpose of the board of directors, and its ability to effect a favorable change cannot be doubted.

You will please to consider the restriction on the discounts at your office as removed, and, until otherwise instructed, the discretion of the board at which you preside will regulate the amount of future discounts. The stockholders in your city are, in common with those of every other, entitled to equal accommodation.

On receipt of this, be pleased to send a confidential officer to take charge of three hundred thousand dollars in specie, which will be prepared for your office. This, I presume, will suffice for your banks, and we shall immediately press our debtor banks to place funds in New York, to enable us to pay off the balance. They (the banks in New York) ought not to forget, however, that this balance did not originate in their claims upon the Bank of the United States.

With great respect, I have the honor to be, sir, your obedient servant,

W. JONES, President.

J. J. ASTOR, Esq., *Pres't Office Bank U. S., New York.*

No. 15.

Letters referred to in answer to second question under fourth general head, respecting the loan of one million, effected in London on a pledge of stock.

SIRS:

BANK OF THE UNITED STATES, *March 3, 1818.*

By this conveyance, the cashier will transmit to you _____'s bill on your house for two hundred and twenty-five thousand pounds sterling, payable ninety days after sight, to the order of Jonathan Smith, Esquire, cashier of the Bank of the United States.

The respectable drawers of this bill, together with other very large stockholders of wealth and standing, having obtained a loan of this bank, on the pledge of ten thousand bank shares; and being now desirous of redeeming that pledge, in order to place it upon more favorable and durable terms in London, the directors have, at their request, agreed to transmit to you the certificates of the said ten thousand shares, in the name of the cashier of this bank, who has executed, and will also transmit to you, along with the said certificates, the necessary powers of attorney and of substitution to transfer the said shares, as soon as the payment of the said bill at maturity shall be guaranteed by your acceptance.

I understand their object is to obtain a loan on the said shares, at the par value thereof; and, without derogating from any other species of security, I think it may be considered equal to any that can be offered in this or any other country. The high respectability of the parties, and their deep stake in this institution, justify me in saying thus much, and in the further expression of the satisfaction which I am sure the board of directors would derive for any services or facilities you may find it compatible with your interest and convenience to afford, should any unforeseen obstacle prevent your effecting the loan, of which they desire to give you the preference upon equal terms.

Their respectable agent, Samuel McCulloch, Esq., will, no doubt, exhibit to you ample authority from the proprietors of the bank shares, providing for any contingency which may occur; and should circumstances induce him to resort to other houses, in order to effect the object of his constituents, you will, upon satisfactory security being given for the payment at maturity of the bill drawn upon you by Messrs. S. Smith and Buchanan, as aforesaid, deliver the certificates of the said ten thousand bank shares to their order.

I beg leave, personally, to recommend Mr. McCulloch to your good offices, as a very amiable, intelligent, and honorable gentleman.

I have the honor to be, with great respect, sirs, your obedient servant,

W. JONES, President.

Messrs. BARING, BROTHERS, & Co., *London.*

No. 16.

Resolution appropriating three hundred thousand dollars, as a fund at Boston, to redeem the notes of the bank.

March 8, 1817.—At a meeting of the president and directors of the Bank of the United States:

Present, W. Jones, president; Messrs. Butler, Ralston, Price, Bohlen, Leiper, Evans, Eyre, Savage, Goddard, Fisher, Connelly, Willing, Lloyd.

Agreeably to the order of the day, the board resumed the consideration of the preamble and resolutions offered at the last meeting, which, being modified, were in the words following, to wit:

Whereas the honor, resources, and credit of the Bank of the United States, are pledged to protect and support the respective banks of New York, Philadelphia, and Baltimore, under the compact for the resumption of

specie payments, which has happily re-established public confidence, while, by the operations of the Bank of the United States and its branches, the commercial exchanges between those cities have been equalized, and are reciprocally and freely supplied to the full extent of the demand; thus superseding the necessity of transporting specie from city to city, than which nothing can more embarrass trade, or impair public confidence in the ability of the banks to maintain the ground they have taken: and whereas any inequality in the exchange between these cities and those in the eastern section of the Union, to the prejudice of the former, during the continuance of the compact, must enable and induce the latter to draw the balance in specie, to the great detriment and hazard of the banks which are parties to the compact: and whereas the board of directors of the office of discount and deposite of this bank at Boston, under a misconception of the views, and of the nature and extent of the engagements of this board, for the attainment of the objects aforesaid, has proceeded to discount freely upon the notes of, and payable at, this bank; and, having refused to honor the same at the office in Boston, the said notes were thereby depreciated, and sold at a discount in that market, although abundant means had been provided at that office by this board, which might, and certainly ought to, have been applied to the redemption of the said notes, at least until this board had been advised and consulted upon the merits of the course intended to be pursued: and whereas the inevitable result of the proceedings of the office at Boston will be the immediate demand for payment of the notes thus dishonored, and probably in specie, to be transported to Boston; and as the general interest of the community, the credit and safety of the bank, and the importance of the objects contemplated in the arrangements which it has made, ought to supersede all interests and considerations merely of a local nature: therefore,

Resolved, 1st. That, until the 1st day of July next, the engagements of this bank require the appropriation of such portion of its moneyed resources in those districts which are not included in the compact for the resumption of specie payments, and which may be favored by the present course of exchange, as may be necessary to facilitate and supply the demand for that object, upon terms of equality, in order to prevent unnecessary drains of specie, which this bank must ultimately replenish.

2d. That, for the foregoing purpose, the board of directors of the office of discount and deposite at Boston be required to reserve, as a distinct fund, \$300,000 out of the means which have been transmitted to the said office by or on account of this bank.

3d. That the said fund be charged with the payment of all such drafts or notes of this bank, or its offices at New York and Baltimore, when due and payable, as may be paid at the said office at Boston during the period aforesaid, and with the amount, when paid, of all drafts and acceptances payable in New York, Philadelphia, or Baltimore, which may be lodged with the said office for collection.

4th. That the said fund be credited with the amount of all such bills, notes, acceptances, or remittances, when in cash, for the same, as the said office may hereafter receive from this bank, or any of its branches, during the period aforesaid; and that it shall be the duty of the cashier of the said office to transmit weekly an account of the state of the said fund to the cashier of this bank.

5th. That so long as the said fund shall be sufficient, during the period aforesaid, to meet the payments contemplated in the third article, the said board of directors shall, when required, freely pay all such drafts and notes, and collect and credit all such drafts and acceptances, as are designated in the third article.

6th. That the board of directors of the said office at Boston be required so to regulate and restrict their general discounts during the period aforesaid as to leave unimpaired the aforesaid fund of \$300,000; and so to apportion their discounts on account of the revenue bonds falling due from time to time as not to exceed, on the average, one-half of the amount of the bonds.

7th. That, as the course pursued by this board in respect to the State banks has been just, liberal, and confiding, a reciprocal disposition on the part of those banks will insure a continuance of the same policy; but, as one of the main objects of the institution of the Bank of the United States was to provide a national currency, it is essential that its paper should be freely received by the State banks; and, therefore, when the banks of Boston shall accredit the notes of the Bank of the United States, all inequalities in the exchange will cease, and the restrictions on the operations of the office at that place will be immediately removed.

On the question "Shall the preamble and resolutions be adopted as modified?" the yeas and nays were called for, and were as follows, *viz*:

Yea—Messrs. Butler, Ralston, Price, Bohlen, Leiper, Evans, Eyre, Savage, Goddard, Fisher, and Connelly.

Nay—Messrs. Willing and Lloyd.

So the question was determined in the affirmative.

No. 17.

Statement showing the actual amount of specie with which the offices of discount and deposite at Boston and New York have been respectively supplied by the Bank of the United States, from the commencement of its operations to December 4, 1818.

OFFICE AT BOSTON.				OFFICE AT NEW YORK.	
	SPECIE DELIVERED.			SPECIE DELIVERED.	
	Sent from New York.	Sent from Bank United States.	Imported direct to Boston.	Sent from Bank United States	Imported direct to New York.
1817.					
March,	-	200,000 00		May, -	100,000 00
April,	-	300,000 00		July, -	300,000 47
September,	-	-		September, -	1,100,000 00
October,	-	200,000 00		October, -	-
November,	-	100,000 00		November, -	-
December,	-	150,000 00.		December, -	100,000 00
1818.				1818.	
February,	25,000 00	50,000 00		January, -	150,000 00
May,	-	100,036 09		March, -	-
December,	-	100,764 00		April, -	-
	<u>\$525,800 09</u>	<u>\$800,000 00</u>	<u>\$297,000 00</u>	May, -	108,747 06
				June, -	-
				July, -	220,000 00
				August, -	-
				September, -	-
				October, -	-
				November, -	-
				December, -	-
					<u>\$2,078,747 53</u>
					<u>\$5,851,485 99</u>
Specie sent from the office at New York, 525,800 09					
Specie sent from the Bank of United States, 800,000 00					
Specie imported by the Bank United States direct to Boston, - 297,000 00					
					<u>\$1,636,841 51</u>
					<u>\$6,293,392 01</u>
Specie sent from the Bank United States, 2,078,747 53					
Specie imported by Bank United States direct to New York, - - - - 5,851,485 99					
Deduct specie received at Bank United States, - 1,111,041 42					
Do. sent to Boston, - 525,800 09					
					<u>7,930,233 52</u>

BANK OF THE UNITED STATES, December 4, 1818.

No. 18.

Report as amended and adopted by the board of directors of the Bank of the United States, July 18, 1817. The committee appointed to devise and report a plan for the transaction of exchange business in the Bank of the United States and its branches, beg leave to submit the following report:

Your committee, previously to engaging in the work specially assigned them, felt it their duty to examine and ascertain the relations in which the bank and its branches stood in respect to the Government and commerce of the United States. Without taking up the time of the board in detailing the various views which have been taken of this subject, your committee will simply state their conviction that the Bank of the United States must necessarily bear the burden of regulating inland exchanges, and of furnishing the funds to meet the varying balances of trade which arise out of the commercial intercourse between the different cities and sections of these United States.

The bank is bound, by contract, to transfer the public money from place to place within the territory of the United States, without claiming any allowance on account of the difference of exchange; but no such obligation exists in relation to the money of individuals; they have the alternative of remitting either in the current bills of the bank or in specie. The difference of exchange, therefore, will at all times be limited by the expense, risk, and uncertainty attending the transmission of bank notes or of specie.

The interests of commerce, however, combine with those of the bank in the expediency of furnishing to individuals a medium of exchange within the rates prescribed by these limits, in which the merchant may find a cheap, certain, and convenient remittance, and the bank a reasonable indemnity for the labor, certain expense, and occasional losses, incident to the performance of this service; and moreover sustain the circulation of its paper, by superseding the use of its current bills as a medium of exchange.

That the Bank of the United States has ample power to deal or trade in bills of exchange, will not be doubted. In the prohibitory article of the fundamental rules prescribed by the charter, *bills of exchange* are expressly excepted; and wisely too: for the Legislature undoubtedly contemplated the great advantages which the commerce of the country, both foreign and domestic, would derive from the facility, promptitude, and regularity with which the exchange operations of the country would be conducted by the bank.

Happily for the bank, the benefits to be derived from this resource will require the adoption of a liberal and extensive system of operations, which will identify the interests of all the active and useful classes of society with those of the bank, and will give to our country that great desideratum—the means, always at command, of a safe and rapid transmission of money throughout the United States.

In the course of their reflections on this important subject, your committee could not refrain from casting their eyes over the map of the United States, and indulging themselves in the most pleasing anticipations. They see before them a country including within its bounds an extent of surface and a fertility of soil affording ample space and presenting a certain reward for the labor of almost innumerable inhabitants; cities increasing in magnitude, in number, wealth, and magnificence; the ample surplus of the varied productions of almost every climate on the globe flowing into those cities, to be consumed or transported to countries abroad, producing an internal and external commerce, which will keep millions of money on the wing, between contiguous and distant cities, sections, and divisions of this great country.

But your committee, recurring to our own times and circumstances, with plain facts and sure experience for their guide, confidently believe that the existing state of commerce, connected as it is with the agriculture and manufactures of the United States, presents a field for exchange operations, which, if judiciously conducted, will greatly accelerate the advancement of these interests, and amply remunerate the bank for its services.

Your committee, therefore, beg leave to present to the board, and to recommend to their consideration, the following plans: No. 1, for conducting exchange business in the Bank of the United States; and No. 2, for conducting the same business in the offices of discount and deposite which are or shall be established in the United States.

PLAN No. 1,

As amended and adopted by the board of directors of the Bank of the United States.

Rules and regulations for conducting exchange business in the Bank of the United States.

1. There shall be established in the Bank of the United States a department, to be denominated the "exchange department," under the direction and management of the president and cashier, and a committee of three directors, to be appointed monthly, in rotation, three of whom shall be a quorum.

2. All the exchange business of the bank and of its offices shall pass through the exchange department, and once a week, at least, a statement of the affairs of the department shall be laid before the board of directors. This statement shall embrace the operations both of the parent bank and of its offices, and shall present such a view of them as will exhibit the course of trade between all the cities of the United States where offices are or may be established.

3. Bills of exchange shall be purchased at the rates to be fixed from time to time by members of the exchange department, according to the course of trade.

4. No bill shall be purchased if objected to by a single member of the department.

5. Bills of exchange purchased by the exchange department shall have at least two responsible names as drawers or endorsers, one of which shall be a resident of Philadelphia. They shall be made payable at some place where an office or connexion of the Bank of the United States is established, and shall not have more than ninety days to run over and above the usual time of conveyance by mail.

6. Bills drawn or endorSED by a member of the department shall not be passed upon until he shall have retired.

7. A suitable compensation shall be required in the exchange department for the security and facility afforded in the transmission of funds from place to place; and the rate shall be settled from time to time by the members of the exchange department, according to the course of trade.

8. Bills of exchange, or other drafts or notes payable out of Philadelphia, and offered for collection, shall be chargeable with a rate per cent. not less than may be required for drafts on Philadelphia at the places where such bills are made payable; and when advised of payment, the proceeds shall be paid to the depositor free of any other charge.

9. The drawers and endorsers of bills purchased by the Bank of the United States, and returned under protest of non-payment, shall be held and considered liable to pay on demand the amount of such returned bills, with interest from the date of purchase till paid, postages, costs of protest, and damages; and no party to a bill under protest for non-acceptance shall have credit at bank unless the amount of said bill be deposited in bank as a security for the acceptance or payment thereof.

10. The Bank of the United States and its offices will collect bills of exchange, notes, or drafts forwarded to them by banks or individuals from any part of the United States, provided that the amount of such collections shall be held payable at the bank or office where the collections are made.

11. Bills of exchange drawn in Europe, or other foreign countries, upon any of the commercial cities in the United States, and made payable in Philadelphia, will be received by the Bank of the United States, forwarded for acceptance, and returned to the bank for collection, free of charge, except the costs of protest in case of non-acceptance or non-payment; and, when collected, the proceeds of such bills shall be held subject to order at sight.

PLAN No. 2,

As amended and adopted by the board of directors of the Bank of the United States.

Rules and regulations for the transaction of exchange business in the offices of discount and deposite of the Bank of the United States.

1. A department shall be established in the offices of discount and deposite, to be called the "exchange department," and managed by the president and cashier, and a committee of two directors, to be appointed monthly, and in rotation, three of whom shall be a quorum.

2. The committee of directors shall attend daily at the office, at a convenient hour, previous to which the bills offered for sale shall be lodged in bank.

3. Bills of exchange shall be purchased at the rates to be fixed from time to time by the members of the exchange department, according to the course of trade, subject, nevertheless, to the control of the board of directors.

4. Bills of exchange purchased by the exchange department shall have at least two responsible names, one of which shall be a resident of the place; they shall not have more than ninety days to run over and above the usual time of conveyance by mail, and shall be made payable at Philadelphia, or some place where the bank has an office or connexion established.

5. No bill shall be purchased if objected to by a member of the department.

6. Bills drawn or endorsed by a member of the department shall not be passed upon until all other bills are disposed of, and the member so interested shall have retired, when his place shall be filled by any other member of the board of directors whom the president may call for that purpose.

7. A suitable compensation shall be required in the exchange department for the security and facility afforded in the transmission of funds from place to place. The rate to be settled from time to time by the members of the exchange department, according to the course of trade.

8. Bills of exchange, notes, or drafts, offered to an office for collection out of the place of its establishment, shall be chargeable with a rate per cent. not less than may be required at the places where they are made payable for drafts on the office to which they are presented, and the proceeds shall be paid to the depositor, when advice of payment shall have been received.

9. On all bills purchased by the offices which shall be returned under protest for non-payment, the drawers and endorsers shall be held and considered liable to pay on demand the amount of said bills, with interest from the date of purchase till paid, postages, costs of protest, and damages: *Provided, nevertheless,* That in case of protest for non-acceptance, the drawers or endorsers shall be exonerated from damages by lodging with the cashier the amount of such bill or bills within five days after notice of such protest, as a security for acceptance or payment. An endorser making such cautionary payment shall be entitled to all the rights and privileges of the bank in relation to the preceding parties; and without such payment all the parties shall cease to have credit.

10. Bills purchased by the offices shall be forwarded direct to the places of payment. A weekly list, showing in detail the exchange business of the week, shall be sent to the cashier of the parent bank; and attached to their usual weekly statement there shall be such an exhibit of their exchange account with the parent bank and its offices as will enable the board to ascertain the course of trade between the principal cities in the United States.

11. The offices shall be allowed to pass drafts on each other and on the parent bank, under such limitations as the parent bank may prescribe.

12. The offices will collect bills of exchange, notes, or drafts forwarded to them by banks or individuals from any part of the United States, provided that the amount of such collections shall be held payable at the banks or its office where the collections are made.

Supplementary report, as amended and adopted by the board of directors of the Bank of the United States, July 18, 1817.

The committee appointed to devise and report a plan for the transaction of exchange business in the Bank of the United States, beg leave to submit the following as a supplement to their report:

In the plans presented by your committee, they have confined themselves, as respects the purchase and sale of bills of exchange, to the inland operations. They wished the subject of foreign exchange to be kept separate and distinct from the domestic business. They have not, therefore, prepared rules and regulations for the management of foreign exchange; but they feel it a duty to recommend the subject to the consideration of the board as a certain resource for the profitable employment of all the surplus capital of the bank.

Your committee can readily perceive some of the great advantages that would result to the bank and the country from the purchase and sale of foreign bills by the Bank of the United States, and they confidently believe that, from the nature of the business, the progress of it would develop from time to time new and increasing benefits to the people at large as well as to the bank. It would facilitate the operations of our merchants, by placing within their reach, and at the moment required, the purchase or sale of bills upon Europe, and thus put an end to those forced fluctuations of exchange which have no foundation in the course of trade. It would give character and a certain and easily ascertained value in Europe to the money of the United States, which might lead to the negotiation of bills upon the United States, and thus add one more item to the quotations of exchanges in the principal money markets of Europe.

The advantages to the bank, however, are less speculative; they are more susceptible of certain calculation. All reflecting merchants will admit that bills drawn by the Bank of the United States would command a preference over the bills of individuals, and at a difference of rate amounting to a pretty good profit; this simple fact might be alone sufficient to recommend the subject to the board. The Bank of the United States would, however, command other and almost peculiar advantages in this business. It would afford the means of providing advantageously for those payments in Europe which the bank has necessarily obligated itself to furnish, and would enable the bank to place the remittances of Government on that sure basis which will relieve them from all the uncertainties and hazards inseparable from the engagements of individuals.

Through the medium of its offices, the most profitable part of the exchange business of the United States with foreign countries would centre in the bank. During the busy season in the South nearly all the merchants are drawers, and hitherto they have been compelled to send their bills to the northern cities to be disposed of, and to have their proceeds returned, subject to all the inconveniences of delay and expense consequent on the then existing course of trade. Moneyed men, availing themselves of these circumstances, with connexions in the northern cities, have carried on from year to year extensive and profitable operations. The Bank of the United States might avail itself of the same advantages, and, by reducing the rate of profit to a more moderate standard, render its operations highly beneficial to the great majority of its customers. For its purchasers it would have all foreign agents acting under orders from abroad, and all the cautious and the timid acting upon their own account.

These classes would compose so large a proportion of the purchasers of exchange, that the generality of drawers would find it to their interest to sell to the Bank of the United States. Great capitalists (who always stand high in the mercantile community) would perhaps for a time continue the sale of their own bills to individuals, but it would be attended with too much uncertainty, and the number of their customers would be too limited for large operations; even these, therefore, would finally fall in with the general current.

For all distant operations, the bank drafts would certainly be taken; and it is more than probable they might soon be made a substitute (in part, at least) for the specie now drawn from this country for the trade to India.

Bills of exchange, being generally considered a cash article, are, therefore, not easily obtained for notes of hand; at least, the rate is usually expected to be so much higher for notes than for money, that few buy for notes, if they can command cash. The United States Bank would derive great advantages from this state of things. Good notes, with discount allowed, would be equally or more desirable to the bank than money; it would increase the number of its customers, and consequently lessen the number of buyers in the market, which, besides other advantages, would frequently enable the bank greatly to extend its discounts, with little effect upon the state of its accounts with the State banks located in the same place.

From these considerations, your committee beg leave to recommend that measures be adopted, as early as practicable, which shall enable the bank to engage extensively and systematically in the purchase and sale of foreign exchange.

Your committee, therefore, offer the following resolution, viz:

Resolved, That a committee be appointed to prepare and report a plan for conducting foreign exchange business in the Bank of the United States and its branches.

No. 19.

Extract of a letter from the President to the office at Savannah, dated

DECEMBER 5, 1817.

The board of directors has organized and prepared a system of regulations for conducting exchange operations in the Bank of the United States and its offices; but the irregularities which still pervade the banking system, (but which, it is hoped, will ere long be corrected,) and the embarrassing state of domestic exchange, as it affects the operations of the Bank of the United States, prevent the immediate adoption of the general plans, and dictate a substitute of a more limited nature.

The board at which you preside will, therefore, please to observe the following regulations in regard to exchange operations, until otherwise instructed by the authority of the parent board, to wit:

1st. The board will authorize the purchase of bills of exchange, having at least two responsible names, one of which shall be a resident of Savannah. They shall not have more than ninety days to run, over and above the usual time of conveyance by mail; shall be made payable at Boston, Providence, R. I., New York, Philadelphia, or Baltimore; and shall be transmitted to the Bank of the United States by mail.

2d. The board may authorize the purchase of sterling bills of exchange, having at least two responsible names, one of which shall be a resident of Savannah; they shall be made payable in London at not more than sixty days after sight, shall not cost more than the par of exchange, and shall not exceed in amount the sum of twenty thousand pounds sterling, until otherwise authorized by the parent board. The said bills shall be drawn at least four to a set, one of which shall be transmitted by the office to Messrs. Baring, Brothers, & Co., of London, to the credit of the president, directors, and company of the Bank of the United States; one of the same shall be retained on the files of the office, and the remainder shall be transmitted by mail to the cashier of the Bank of the United States.

3d. A weekly list, showing, in detail, the exchange operations of the week, shall be sent to the cashier of the Bank of the United States.

4th. The board may continue to discount good bills or notes, made payable in Charleston or Augusta, having at least two responsible names, and not having more than ninety days to run, so long as this practice may, in the opinion of the board, contribute to prevent the accumulation of the debts of the office at those places, or until otherwise ordered by the parent board.

5th. The board may authorize the cashier of the office to draw on the bank or its offices at Boston, Providence, R. I., New York, Baltimore, or Washington city, and determine the rate of exchange at which such drafts shall be sold.

6th. In the event of any unforeseen demand, which may menace the safety of the office, the board may authorize drafts on the office at Charleston, stating to said office the necessity of the case, citing this authority, and reimbursing the amount so drawn for as soon as may be practicable, either from the local resources of the office, or by the sale of drafts on the bank, or either of the offices mentioned in the preceding article.

If, in the course of your operations between this time and the month of May, you can transmit a considerable amount in good bills at short sight, payable in New York or Boston, it will contribute to reduce the balances against our offices in those places, and thus far protect our specie. Having observed some hostile movements in the Legislature of your State, the board of directors will, I apprehend, suspend the operations of the office at Augusta until the result is known. With the fullest confidence in the intelligence and disposition of the board at which you preside, and in your individual exertions to promote the interests and reputation of the institution,

I remain, with the highest respect, sir, your obedient servant,

W. JONES, President.

R. RICHARDSON, Esq., President Office of Bank United States, Savannah.

No. 20.

Extracts from correspondence of the President, principally on the subject of exchange.

In a letter from the president of the bank to the Secretary of the Treasury, dated November 21, 1818: "It will readily be perceived that, with the modicum of coin derived from the first instalment, (spread over the surface of the Union, at twenty distinct places of deposite,) of which \$454,000 only are in the vaults of the bank, its operations must necessarily be very limited until the second instalment shall be actually received, and the principal local banks evince a sincere disposition to co-operate in the important and indispensable work of invigorating public confidence by resuming specie payments."

In another, of the 27th November: "The board of directors of the Bank of the United States, although satisfied that there is actually within the United States an abundance of gold and silver coin for all the purposes of a circulating medium, upon the legitimate principles of banking, are yet sensible that, public confidence having received a deep wound by the abuse of that system, it requires more than ordinary means to restore that confidence to its wonted vigor and repose, and have sent an agent to England," &c.

April 19, 1818. In a letter to the president of the Charleston branch: "The discount of one and a half per cent. is merely the index of the course of exchange between Charleston and Philadelphia, which may be no bar to their interior circulation for the purposes of commerce and revenue, and as a convenient source of remittance from the Western States to this city. It is not the policy of the parent board to contract the course of exchange, though the ample resources of the bank will enable the direction to produce a temporary equality where the emergency shall justify the sacrifice. As to specie, there would be as little demand for specie here as there appears to be in Charleston, but for the adventurers to India and China, who are giving three per cent. premium for Spanish dollars, although they may be had in London at ten per cent. below par for sterling bills, which bear a premium here of three per cent."

The president states that, at the time of subscription to the stock of the bank, specie was at six per cent. premium at the westward, and at fourteen per cent. at Philadelphia, Boston, and New York. May 16, 1817, to the Secretary of the Treasury: "In this state of things, the directors believed it to be their solemn duty, by a rigorous employment of the credit and resources of the bank, and the assumption of a high responsibility, to renovate the currency by the only effectual means, the resumption of specie payments by all the banks in the cities of New York, Philadelphia, Baltimore, and Virginia; the influence and example of which it was not doubted would soon pervade the Union. These efforts have been crowned with complete success; but, in order to effect this, the bank has been exposed to extraordinary hazards, and incurred very considerable actual expense and privations. With a capital and resources untouched and uncontaminated, the bank engaged to support, with all its credit and means, the whole of the banks above mentioned, [the

State banks which acceded to the propositions of the Bank of the United States,] and the Treasury; and in order to protect them and itself against the inevitable and destructive drains of specie which must have taken place, while inequalities in the exchanges were suffered to exist, the Bank of the United States alone undertook the Herculean task of equalizing, whether real or artificial, from the District of Columbia to Boston, not only the commercial balances between the respective cities, but the immense balances existing between the banks themselves, the operation of which has been to accumulate, at the most unfavorable points of exchange, the greater part of the public balances which have been transferred to the Bank of the United States, as well as the real amount of debts which were due by the Southern to the Eastern States. All this the bank has effected and maintained, regardless of the expenses, loss, and inconvenience, so long as the vital object of its efforts was effectually secured."

May 28, 1817. President to Charleston branch: "In the mean time, as the subject of exchange is extremely interesting, and may be made a very productive operation, if managed with prudence and a judicious foresight of the fluctuations of commercial exchange, and their periodical causes, you are at liberty to draw upon the offices at Boston, New York, and Baltimore, particularly the latter, and upon this bank, whenever the board of directors at which you preside shall deem it for the interest of the institution, *viz.*:

"Upon the office at Boston, \$100,000.

"Upon the office at New York, \$100,000.

"Upon the Bank of the United States, to any amount that can be favorably negotiated.

"Upon the office at Baltimore, the same. The offices above named will also have authority to draw upon your office for their reimbursement whenever it can be done to advantage. It is now to be wished that you had possession of the post notes of this bank now in circulation in your quarter, as they will be substituted for exchange on the Northern cities, and thus far diminish the amount which you might draw to advantage."

August 13, 1817.—Letter to branch at New York directing the application of \$402,000, received by frigate *Inconstant*.

August 14, 1817.—To Charleston branch: "The only objects [in the letter of the president of the Charleston branch] which I have not already noticed, are, the large accession of moneyed capital at your office by the stockholders paying the third instalment wholly in cash, instead of the authorized proportion of funded debt; and your suggestion, &c. [about purchasing funded debt] the board of directors has foreseen, with regret, the temporary inconvenience which the privation of a large amount of the productive capital of the bank, by the substitution of cash for funded debt, will produce, until its greatest moneyed capital can be actively and safely employed in the manner provided by the direction."

September 2, 1817.—List of arrivals of specie, annexed to a letter to Messrs. Baring, Brothers, & Co., amounting to \$602,486.

September 3, 1817.—To Messrs. Baring, Brothers, & Co., on the subject of purchasing and selling foreign bills of exchange.

September 10, 1817.—To Messrs. Robertson & Co., Jamaica, directing \$500,000 to be immediately shipped in specie, and \$200,000 monthly, until the order is revoked, to obtain dollars at four shillings and six-pence sterling, including expenses; and doubloons at 65.52 shillings sterling, including all expenses.

To Savannah branch: December 5, 1817.—The Bank of the United States is integral in its organization, but indivisible in its interests. Its offices, although distantly located, have no analogy to institutions established by local authority, and the apparent interest of any particular office must necessarily be subordinate to the general interest.

Letter to Charleston branch: February 6, 1818.—Your board will please observe, sir, that it is no part of the system of the parent board to give a definite capital to the respective offices, to be employed for the benefit of their several districts; but to extend or control their operations, as the exigencies of commerce, the requisitions of the Government, and the general interest of the institution shall from time to time direct.

No. 21.

Extract of a letter from the President to office at Charleston, approving of the purchase of the notes of local banks at a discount, referred to in deposition of William Jones as having been sanctioned by the board of directors.

APRIL 18, 1818.

The question you have submitted relative to the notes of the local banks in North Carolina and Georgia does not appear to me to be involved in the prohibitory clause of the act of incorporation to which you refer. A bank note is not money; it is a promissory note to pay money on demand at a given place, where alone payment can be demanded. It is in the nature of an acceptance, and is, I conceive, as fair a subject of exchange as any individual bill or note of like import. To receive them at par, is to deal and trade in them as effectually as to receive them at any other rate; they are worth whatever the course of exchange may at the time indicate, as a bill at sight on the same place would be. They are, therefore, in my view, clearly within the exception to the prohibition, and may lawfully and equitably be dealt in as a bill of exchange.

No. 22.

Resolutions authorizing discounts to pay specie part of second instalment.

December 16, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Evans, Butler, Ralston, Eyre, Bryan, Wetherill, Goddard, Willing, Leiper, Bohlen, Lloyd, Boyd.

On motion,

A resolution relating to the commencement of making discounts on the deposite of stock was read; and, after some consideration, ordered to lie on the table and made the order of the day for Wednesday next.

December 18, 1817.—Present, W. Jones, president; Messrs. Lloyd, Bohlen, Eyre, Willing, Wetherill, Goddard, Evans, Butler, Ralston.

The board resumed the consideration of the following resolution laid on the table at their last meeting, and made the order of this day, *viz.*:

Resolved, That, on the 31st instant, the board will proceed to discount notes or bills, having not more than sixty days to run, and made payable to the Bank of the United States, secured by a deposite of an equal amount of the stock of this bank, or on an equal amount in public debt, at ninety per cent. upon the par value thereof,

with power to sell and transfer the said stock or debt in default of payment, when due, of the notes which may be discounted as aforesaid; and that the respective boards of directors of the offices of discount and deposite at Boston, New York, and Baltimore, be authorized to discount, in like manner, upon the same terms and conditions, and to an extent not exceeding one-tenth of the amount of the subscription to the capital of the bank at their respective places.

After some time spent in considering the same, it was adopted.

No. 23.

Resolutions explanatory of those of the 18th of December, on the subject of loan to pay second instalment.

December 27, 1816.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Butler, Girard, Leiper, Goddard, Bohlen, Willing, McEuen, Wetherill, Evans, Eyre, Ralston, Lloyd, Bryan.

On motion of Mr. Lloyd,

Resolved, That the directors of the office of discount and deposite of the Bank of the United States at Boston be instructed to restrict the discount permitted of ten per cent. on the subscription exclusively to stockholders, or to withhold the same altogether, as in the circumstances of the branch and the interests of this institution may, in the opinion of the said directors, be most expedient.

On motion,

Resolved, That the loan which may be effected, in conformity to the resolution of this board, passed on the 18th instant, be regulated in the following manner; and the president and cashier be authorized to accept notes for the purposes therein mentioned, from day to day, from the 31st instant to the 23d January ensuing, inclusive, upon the terms and conditions stipulated in the resolution above mentioned, and in the manner herein directed.

1st. The loan to be effected for the accommodation of the stockholders exclusively, and to the amount of their respective proportions of the payments in coin, on account of the second instalment of the capital of the bank.

2d. The notes to be accepted shall all be dated on the 1st day of January next, and payable sixty days after date, including the interest thereon.

3d. That the stock to be deposited as a security for the payment of the notes shall be transferred in trust to the cashier of this bank, or to the cashiers of the offices of discount and deposite respectively, and their successors in office; and the discounters shall be required to sign a special agreement, stating the terms and conditions of the loan, and authorizing the president and directors forthwith to sell the pledge, in such manner as they shall deem most advantageous, immediately upon the failure to pay the notes, on the last day of grace, in specie or bills of this bank.

4th. That the loan before mentioned shall be made only to stockholders paying in full the second instalment on the shares by them respectively held in this bank.

No. 23 a.

Form of engagement given by those who obtained accommodation for the specie part of the second instalment.

PHILADELPHIA, January —, 1817.

In default of payment of my note, dated this day, payable sixty days after date, to the order of the cashier of the Bank of the United States, or his successor in office, in specie or bills of the Bank of the United States, for value received by me, in a loan obtained of the said bank for the specie proportion of the second instalment of the capital thereof due by me this day, it is hereby distinctly understood and agreed, that the said cashier, as trustee of the annexed certificate of —, pledged for the payment of the note aforesaid in specie, or bills of the Bank of the United States, shall forthwith sell and dispose of the same in such manner as he shall deem expedient, and apply the proceeds thereof in the first place to the discharge of the said note in the manner aforesaid, together with interest until paid, and all charges of protest, brokerage, &c., and pay over to my order the balance thereof, if any shall remain.

Witness, —

Extract of a letter from the cashier of the United States Bank to J. W. McCulloch, Esq., cashier, Baltimore; dated

JANUARY 16, 1817.

Enclosed you have the form used at this bank of an engagement to be entered into by those who obtain an accommodation for the specie part of the second instalment. By George Williams, Esq., I forward you a number of copies of the rules and regulations for the government of the offices.

I am, with respect, your obedient servant,

JONA. SMITH, *Cashier.*

[The above form is furnished by Mr. Smith, as the one enclosed in said letter.]

No. 24.

Abstract of payments on account of the second instalment on the stock of the Bank of the United States, made at the bank from January, 1817, to March, 1818.

Month.	In coin.	By checks.	Total amount.
1817.			
January, —	\$172,033 62	\$661,108 72	\$839,085 51
February, —	33,350 00	4,950 60	39,300 00
March, —	5,040 00	70,085 00	75,025 00
April, —	4,350 00	71,450 00	75,800 00
May, —	39,650 00	571,765 00	611,415 00
June, —	22,625 00	229,129 27	252,754 27
July, —	2,100 00	6,650 00	8,750 00
After July, 1817, to March, 1818, —	70 00	15,155 00	15,275 00

No. 25.

Letter from W. Jones, Esq., to J. A. Buchanan, president of the office of the Bank of the United States at Baltimore, respecting discounts on stock being made at the parent board, and agreeing to a discount for George Williams of \$370,000, upon pledged stock.

SIR:

BANK OF THE UNITED STATES, May 27, 1817.

Your letter of the 24th was this day submitted to the board of directors, and it was agreed to grant the discount at *this bank*, for which Mr. George Williams had applied at the office in which you preside, and upon the following conditions, to wit: upon three thousand seven hundred shares of stock of the Bank of the United States, to be transmitted to the cashier, together with a power of attorney, duly executed agreeably to the form herewith enclosed, and Mr. Williams's note of hand for the par value of the amount paid on the said shares, payable to the cashier of the Bank of the United States, or his order, without defalcation, sixty days after date, at the Bank of the United States.

These terms being complied with, a check on your office will be transmitted to Mr. Williams for the amount of the proceeds of his note, which, it is understood, will be applied to the reduction of the balance due the Bank of the United States by the Union Bank of your city, in the manner suggested in your letter of the 24th.

Upon investigation, it appeared to the board that a general authority to all the offices to grant those extensive discounts upon stock would probably produce consequences not contemplated by the board, and that a partial authority might be considered invidious.

It was, therefore, determined to confine all discounts upon stock of considerable magnitude to the board of the parent bank, to which application can be made, with facility, through the offices, in the nature of that which you have submitted.

I have the honor to be, with great respect, sir, your obedient servant,

W. JONES, President.

JAMES A. BUCHANAN, Esq., Pres't. Office, Bank U. S. Baltimore.

No. 27.

Amount of discounts on stock to 30th July, 1817, and amount remaining unpaid at the same time.

From the time the bank commenced discounting, to the 30th of July, 1817, notes, secured by pledges of stock, were discounted to the amount of	-	-	-	\$8,046,932 64
And the amount of notes, with similar pledges, which had been discounted within the time aforesaid, and remained unpaid on the 30th July, 1817, is	-	-	-	5,231,267 60
Amount of the above paid off to the 30th July, 1817, is	-	-	-	<u><u>\$2,815,665 04</u></u>

No. 28.

Copy of a letter to the Secretary of the Treasury, accompanying and explaining the statement of the specie furnished the offices at Boston and New York, respectively.

SIR:

BANK OF THE UNITED STATES, December 9, 1818.

Having, in my letter of the 11th ultimo, accompanying the statements prepared and transmitted to the Secretary of the Treasury, in conformity to the resolution of the Senate of the 15th April last, observed that, "of the large importations of specie by the Bank of the United States, at a great expense, not one dollar has been expended south or west of Philadelphia," I have now the honor to transmit a statement showing the amount of specie with which the offices of discount and deposite at New York and Boston, respectively, have been supplied since their establishment, which, you will perceive, considerably exceeds the whole amount imported by this bank.

This specification is exclusive of the original specie part of the capital of the bank paid into the offices at Boston and New York, respectively, and of vast sums paid from time to time in specie, at the bank and its southern offices, to eastern agents for eastern banks and individuals. There is no distinct account of the sums thus paid; but the magnitude and frequency of the demands and transportation of the specie eastward are facts of public notoriety. It is also exclusive of similar drains from the office at New York, for eastern account.

Subsequently to the 19th March last, when the directors of the office at Boston came to the resolution of refusing to pay or receive on deposite (except on public account) any of the notes of the corporation made payable elsewhere, they were collected by eastern banks and individuals, in order to draw the specie from the office at New York, or the bank in Philadelphia; and since the general restriction, by the board of directors, on the 28th August last, of the payment of the notes of the corporation to the terms of "the contract, promise, or undertaking, therein expressed," they have been presented at the respective places of payment, or exchanged for the notes of other banks in New York and Philadelphia, by the deposite of which the specie has been directly or indirectly drawn from this bank.

I have the honor to be, with great respect, sir, your obedient servant,

W. JONES, President.

The Hon. W. H. CRAWFORD, Secretary of the Treasury, Washington City.

No. 28.

Statement of the amount of specie imported by the Bank of the United States, with its costs and expenses, distinguishing the time and country from which each importation was made, and also between gold and silver.

When received.	Where received.	Per what vessel.	No. of vessels.	Where from.		Agents.	Actual receipt in dollars.
1817.							
July 30	Philadelphia, -	Saunders, -	1	Leghorn, -	Silver, -	In England,	46,119 92
Aug. 5	Boston, -	Thomas, -	2	Lisbon, -	Ditto, -	Ditto,	84,000 00
Aug. 14	Norfolk, -	Alert, -	3	Gibraltar, -	Ditto, -	Ditto,	70,000 00
Aug. 15	New York, -	Inconstant, -	4	Jamaica, -	Ditto, -	Ditto,	402,000 00
Sep. 12	Baltimore, -	Primrose, -	5	Jamaica, -	Ditto, -	Ditto,	300,000 00
Sep. 15	New York, -	Radius, -	6	London, -	Ditto, -	Ditto,	104,073 00
Sep. 27	Boston, -	Cherub, -	7	Lisbon, -	Ditto, -	Ditto,	213,422 90
Sep. 29	New York, -	Unison, -	8	London, -	Ditto, -	Ditto,	100,138 00
Oct. 8	New York, -	Harrier, -	9	Jamaica, -	Ditto, -	Ditto,	149,991 00
Oct. 10	New York, -	John Brown, -	10	London, -	Ditto, -	Ditto,	96,120 97
Oct. 27	Philadelphia, -	General Jackson, -	11	Gibraltar, -	Ditto, -	Ditto,	59,700 00
Nov. 17	Philadelphia, -	Florenza, -	12	Gibraltar, -	Ditto, -	Ditto,	142,485 00
Dec. 8	New York, -	Esk, -	13	Jamaica, -	Ditto, -	Ditto,	401,000 00
1818.							
Mar. 28	Philadelphia, -	Florenza, -	14	Gibraltar, -	Ditto, -	Ditto,	40,000 00
April 27	New York, -	Comet, -	15	Havre, -	Ditto, -	Ditto,	373,200 00
May 1	New York, -	Angelica, -	16	Lisbon, -	Gold, -	Ditto,	136,376 86
May 2	New York, -	George, -	17	Havre, -	Silver, -	Ditto,	373,200 00
May 29	Philadelphia, -	Tontine, -	18	London, -	Gold, -	Ditto,	123,467 02
June 9	New York, -	William, -	19	London, -	Ditto, -	Ditto,	415,813 14
June 27	New York, -	Alfred, -	20	Havre, -	Silver, -	Ditto,	251,910 00
Aug. 17	New York, -	Rubicon, -	21	Havre, -	Ditto, -	Ditto,	466,500 00
Sep. 16	New York, -	Angelica, -	22	Antwerp, -	Ditto, -	Ditto,	101,200 00
Oct. 14	New York, -	White Oak, -	23	Havre, -	Ditto, -	Ditto,	186,600 00
Oct. 14	New York, -	Adonis, -	24	Havre, -	Ditto, -	Ditto,	279,900 00
Oct. 14	New York, -	Marcus, -	25	Havre, -	Ditto, -	Ditto,	186,600 00
Nov. 4	New York, -	Comet, -	26	Havre, -	Ditto, -	Ditto,	223,920 00
Nov. 23	Philadelphia, -	Dido, -	27	Havre, -	Ditto, -	Ditto,	186,600 00
Nov. 26	New York, -	Favorite, -	28	Havre, -	Ditto, -	Ditto,	167,940 00
Dec. 1	New York, -	Belle, -	29	Havre, -	Ditto, -	Ditto,	186,600 00
Mar. 12	New York, -	Neptune, -	30	Jamaica, -	Ditto, -	In Jamaica,	400,000 00
April 23	Philadelphia, -	Cora, -	31	Jamaica, -	Ditto, -	Ditto,	104,845 56
April 24	New York, -	Sybelle, -	32	Havana, -	Ditto, -	Ditto,	327,929 28
June 22	Philadelphia, -	Pocklington, -	33	Jamaica, -	Ditto, -	Ditto,	119,766 00
April 27	New York, -	Comet, -	34	Havre, -	Ditto, -	In France,	52,800 00
May 2	New York, -	Adonis, -	35	Havre, -	Ditto, -	Ditto,	54,560 00
May 22	New York, -	George, -	36	Havre, -	Ditto, -	Ditto,	20,895 60
May 22	New York, -	Spartan, -	37	Havre, -	Ditto, -	Ditto,	20,457 80
May 1	New York, -	Fanny, -	38	Havre, -	Ditto, -	Ditto,	28,592 30
June 19	New York, -	Bordeaux, -	39	Bordeaux, -	Ditto, -	Ditto,	26,840 00
July 25	New York, -	Manchester P'ckt, -	40	Havre, -	Ditto, -	Ditto,	14,080 00
July 25	New York, -	Belfast, -	41	Havre, -	Ditto, -	Ditto,	1,727 00
Aug. 17	New York, -	Rubicon, -	42	Havre, -	Ditto, -	Ditto,	41,707 00
Sep. 9	New York, -	Spartan, -	43	Havre, -	Ditto, -	Ditto,	23,516 00
Oct. 14	New York, -	Adonis, -	44	Havre, -	Ditto, -	Ditto,	49,734 40
Oct. 14	New York, -	Ceres, -	45	Havre, -	Ditto, -	Ditto,	38,280 00
Oct. 14	New York, -	Maria Theresa, -	46	Havre, -	Ditto, -	Ditto,	40,040 00
Oct. 14	New York, -	Marcus, -	47	Havre, -	Ditto, -	Ditto,	20,899 20
Oct. 27	New York, -	Manchester P'ckt, -	48	Havre, -	Ditto, -	Ditto,	4,840 00
Nov. 4	New York, -	Comet, -	49	Havre, -	Ditto, -	Ditto,	1,505 30
Dec. 5	New York, -	Factor, -	50	Havre, -	Ditto, -	Ditto,	49,837 28
Total amount imported in dollars, at the current rate, in the United States, -							7,311,750 53

Expenses attending the importation.

1818.	Dec. 7	Of the foregoing was received in gold, shipped by Thomas Wilson & Co. of London, as follows: Cost and charges per invoice, by ship No. 19, £99,499 13s. 7d. is - Nett amount received per said vessel, -	\$442,220 80 415,813 14			
		Difference, -	-	\$26,407 66		
		Cost and charges per invoice of gold shipped by Thomas Wilson & Co. in ship No. 16, £31,965 1s. is -	-	142,066 88		
		Nett amount received per said vessel, -	-	136,376 86		
		Difference, -	-	5,690 02		
		Cost and charges per invoice of gold shipped by T. Wilson & Co. in ship No. 18, £29,536 15s. 2d. is -	-	131,274 47		
		Nett amount received per said vessel, -	-	123,467 02		
		Difference, -	-	7,807 45		
				39,905 14		

1818.						
Dec. 7	Cost and charges per invoice of silver shipped by T. Wilson & Co. per ships Nos. 15, 17, and 20 to 29, inclusive, £692,061 1s. 5d. is	3,075,826 97				
	Nett amount received per said vessels, -	2,984,170 02				
	Difference, -	91,656 95				
	Freights, &c. paid thereon, -	13,581 96				
Oct. 3	Difference between the costs of bills drawn in Jamaica, on London, for the investment of specie imported in ships Nos. 30 to 33, inclusive, and the cost of bills bought in the United States and remitted to London for reimbursement of the former, -		\$105,238 91			\$145,144 05
	Insurances on said shipments, -		8,535 66			
Oct. 10	Amount of remittances to meet the shipments of silver by Thuret & Co. of Paris, received by ships Nos. 34 to 50, inclusive, -	486,456 10				25,496 82
	Freight and insurance on said shipments, -	12,942 16				
	Nett amount received per said vessels, -	499,398 26				
	Difference, -	490,311 88				
Oct. 16	Expenses on \$40,000 imported in ship No. 14, -					9,086 38
	* Proportion of expenses paid on specie imported in ships Nos. 1 to 13, inclusive, in conjunction with city banks, under contract with Baring, Brothers, & Co., and Reid, Irving, & Co. -					1,717 42
	The foregoing is the amount of the cost and expenses actually paid by the bank, in addition to which the following is an estimate of the loss of premium and of interest which the bank has sustained by the importation of specie:					
	1st. Of the premium (at the rate at which the bills of the bank were then selling) on the amount of its funds in London, applied to the reimbursement, agency, interest, &c. of the specie imported in the thirteen vessels first mentioned, -		147,130 57			
	2d. Of five months' interest on the sum of \$4,227,845 25, allowing three months from the time of purchase to the time of maturity of bills remitted to London, in payment for specie, and two months for the shipping and transit of the specie to the United States, -		105,696 13			
	3d. Of the premium on the amount of the balance of specie imported to this date, say \$3,791,389 13, at $\frac{1}{2}$ per cent. -		28,435 42			
						281,262 12
						\$525,297 38

BANK OF THE UNITED STATES, December 14, 1818.

* In order to determine the actual amount of expenses paid on the aggregate amount of the specie imported by these vessels, add to this item \$37,324 17, paid by the incorporated banks of the city of Philadelphia, and Bank of the Northern Liberties, who participated in these importations to the amount of \$811,272 11, and paid the foregoing proportion of expenses thereon

No. 29.

Agreement between the bank and the Messrs. Baring for the purchase of specie.

At a meeting of the president and directors of the Bank of the United States, held the 29th April, 1817, the following contract was laid before the board. Directors present, W. Jones, president; Messrs. Girard, Butler, Ralston, Price, Willing, Leiper, Evans, McEuen, Savage, Goddard, Connelly.

Agreement made this 12th day of March, in the year of our Lord, 1817, between the president, directors, and company of the Bank of the United States, by their attorney in fact, John Sergeant, of the one part, and Alexander Baring, Henry Baring, Thomas Nixon, John Deacon, and Swinton C. Holland, in copartnership, under the firm of Baring, Brothers, & Co., and Thomas Reid, John Irving, George Irving, and John Rae Reid, in copartnership, under the firm of Reid, Irving, & Co., of the other part:

1. The said parties of the second part agree and engage to lend to the said parties of the first part the sum of £745,500 sterling, equal to \$3,195,000, (estimating each dollar at four shillings and eight-pence sterling,) from the date of this agreement, till the 1st day of January, 1819, at an interest of five per cent. per annum, to be computed from the date of this agreement, and to be paid in London half-yearly; the first payment of interest to be made on the 12th day of September next.

2. The said parties of the second part agree and engage to deliver to the said parties of the first part, within six months from the date of these presents, the aforesaid amount or sum of \$3,195,000, as follows, that is to say, not less than one-half thereof in good Spanish dollars, of full weight and standard fineness, and the remaining half either in the same kind of dollars, or in the gold coins of Portugal, France, or Spain, of the present standard; such gold coins to be estimated and received at the following rates, to wit: the gold coins of Portugal at the rate of one dollar for every twenty-seven grains; the gold coins of France at the rate of one dollar for every twenty-seven and a half grains; and the gold coins of Spain at the rate of one dollar for every twenty-eight and a half grains. The said amount or sum of \$3,195,000, in the descriptions of coin aforesaid, to be delivered to the president, directors, and company of the Bank of the United States, within the aforesaid period of six months, in the United States, free of all charge, at some one or more of the following ports, to wit, Philadelphia, New York, Boston, or Baltimore; it being clearly understood and agreed, that the aforesaid price or sum of four shillings and eight-pence sterling the dollar, is to be in full of all charges of whatsoever kind, as well for the negotiation as for obtaining, shipping, and delivering the said amount of \$3,195,000 in the aforesaid description of coin.

3. It is also understood and agreed, that if any part of the said amount of \$3,195,000 should be delivered at the ports aforesaid, or either of them, after the expiration of the said period of six months, and within the period of nine months from the date of this agreement, the same shall be received by the said parties of the first part; but the said parties of the second part shall allow to the said parties of the first part interest thereupon, at the rate of five per cent. per annum, to be computed from the expiration of the said period of six months to the time of the delivery; but it is also expressly understood and agreed, that the said parties of the first part are not to be con-

sidered as bound to receive, on account of this agreement, any part of the said amount or sum after the expiration of the said period of nine months from the date of this agreement.

4. It is further understood and agreed, that if the said parties of the second part, after having used their best endeavors to deliver the gold and silver coins aforesaid, in the manner and within the period hereinbefore stipulated and agreed, should not be able to deliver the whole amount contracted for as aforesaid, then, and in that case, the present operation, in all its parts, as well in relation to the loan and interest as otherwise, shall be considered as limited, from the beginning, to the amount or sum that shall be so delivered, estimating the dollar at four shillings and eight-pence sterling; and the said parties of the second part shall forthwith restore to the said parties of the first part a proportionable part of the certificates of funded debt, and powers deposited, as provided for in the sixth article; that is to say, one dollar of funded debt for every dollar short delivered: and if, before that time, any payment of interest shall have been made by the said parties of the first part, on account of the said loan, the excess of such interest, beyond what ought to have been paid, having regard to the amount of coin delivered, shall be placed to their credit on account of the principal.

5. The said parties of the first part hereby engage and agree to and with the said parties of the second part, that, the said parties of the second part well and faithfully performing their engagements and agreements aforesaid, they will, on or before the said 1st of January, 1819, well and faithfully repay to them, the said parties of the second part, the amount of the said loan, with the arrears of interest that may remain, if any there shall be—such repayment to be made in London; and that, in the mean time, they will pay in London, to the said parties of the second part, the interest upon the said loan, half-yearly, at the rate of five per cent. per annum, computing the same from the date of these presents, so that the first payment shall be made on the 12th of September next.

6. To secure the repayment of the said loan, at the time and in the manner hereinbefore stipulated, the said parties of the first part agree and engage to deposite, as a pledge, certificates of six per cent. funded debt of the United States, to the amount of \$3,195,000, with sufficient powers of transfer; and it is understood and agreed, that if the said parties of the first part shall not in some manner have provided, fifteen days before the said 1st of January, 1819, for the repayment of the said loan, the said parties of the second part may proceed to sell the said funded debt for their reimbursement, for the best prices they can obtain.

7. It is understood and agreed, that the said parties of the first part reserve to themselves the liberty of paying off the whole or any part of the said loan, before the said 1st day of January, 1819, giving two months' notice, and of withdrawing a proportionable part of the deposite or pledge; and from the time of any such payment the interest shall cease upon the amount so paid off.

8. The said parties of the second part agree and engage to and with the said parties of the first part, that, the said parties of the first part paying off any portion of the said loan, in manner aforesaid, they will immediately restore to the said parties of the first part a proportionable part of the certificates of United States' funded debt, at the rate aforesaid, and of the powers of transfer accompanying the same, and that the said parties of the first part, paying off and discharging the whole of the said loan, as hereinbefore stipulated, they will well and faithfully restore the whole of the said certificates of funded debt, and the powers of transfer accompanying the same.

9. For the true and faithful performance of all and singular the stipulations, articles, and agreements hereinbefore contained, the parties bind themselves mutually to each other firmly by these presents.

In witness whereof, they have hereunto interchangeably set their hands and seals the day and year first above written.

No. 30.

Resolution allowing compensation to Mr. Sergeant.

November 29, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Willing, Smith, Leiper, Boyd, Goddard, Buchanan, Sergeant, Bohlen, Evans, Eyre, Butler, Ralston, Lloyd, Rodney, Wetherill, McEuen.

Resolved, That the compensation to be allowed John Sergeant, Esq., for his services as the agent of this bank, be twenty thousand dollars, to include all his expenses, together with the compensation and expenses of his assistant; and that if he shall be employed on the business of said agency for a longer period than twelve months, he shall be allowed a *pro rata* compensation.

No. 31.

Resolution authorizing offices to discount on pledged stock.

[Extract from the minutes.]

July 25, 1817.—Present: W. Jones, president; Messrs. Ralston, Willing, Bohlen, Leiper, Evans, Wetherill, Eyre, McEuen, Savage, Goddard, Connelly, Bolton.

Whereas, it may be convenient and desirable to stockholders of the Bank of the United States, or other persons holding funded debt of the United States, to obtain temporary loans upon their notes made payable to the cashier of the office of discount and deposite at the place of their residence, and secured by a pledge of stock of this bank, or funded debt of the United States at the par value thereof, equal to the amount of the required loan:

Be it therefore resolved, That the offices of this bank be respectively authorized to grant such loans until otherwise ordered by this board; that the weekly statements of such offices shall exhibit the amount of such loans distinct from the amount of bills and notes discounted; and that blank powers of attorney to transfer and sell the stock or debt so pledged, in conformity to the powers used for similar loans obtained of this bank, but with such modification as the substitution of the offices for the bank may require, be transmitted to the offices, respectively, for that purpose.

No. 32.

Circular respecting payment of third instalment, by which notes are agreed to be received, and interest is directed to be charged.

SIR:

BANK OF THE UNITED STATES, May —, 1817.

You will please to cause the enclosed notice to be published at least twenty days prior to the 1st of July next, in two newspapers printed at each of the places for which your office is designated as the place of payment of the third instalment of the capital subscribed at those places respectively; and you will receive, in conformity to the said notice, and at the rates prescribed by the act of incorporation, the payments which may be tendered on account thereof.

It is not intended to exact from the subscribers the actual payment of the specie proportion in coin, provided they tender to you an equivalent amount in the notes of this bank, or any of its offices, which may be then payable on demand, or of any bank in your place which is known to pay its notes in specie on demand.

Should the payments on account of the subscriptions to the capital of the bank, which you are authorized to receive, be in any case delayed after the 1st of July next, you will not grant a receipt for any such payment until the interest from the 1st of July next to the day of actual payment be also paid on the whole amount, if the instalment of the whole shall be paid in coin; and on the specie part only, if the funded debt proportion shall be so transferred to the bank as to convey to it the interest thereon from the 1st of July.

The enclosed order will enable you to procure from the commissioners of the bank the transcript of the original subscription books, and such other documents in relation to the payments on account of the second instalment as may be necessary to regulate the receipts on account of the third instalment. The stockholders are requested to produce the commissioners' receipts for the payments which may have been made, or the certificates of stock which may have been issued in lieu thereof; and it is extremely desirable that they should, on account of the difficulties which the want of these references will occasion, in the adjustment of the stock account of the bank; but their production is not to be considered as indispensable to the receipt of such payments as may be tendered, upon satisfactory evidence of the authority of the party to claim a distinct receipt for any such payment.

I have the honor to be, with great respect, sir, your obedient servant,

_____, President.

_____, President Office Bank U. S., at _____.

Blank form of transfer of stock to obtain discounts.

Know all men by these presents, that whereas ____ have obtained a discount from the Bank of the United States, on ____ promissory note bearing date the ____ day of ____, 181____, for the sum of ____, payable in sixty days from the date hereof, and ____ have agreed to pledge ____ belonging to ____, the certificates whereof have been delivered to the cashier of the Bank of the United States, previous to the execution hereof, for securing as well the payment of the same as the payment of any other discount that ____ may hereafter obtain from the said bank: Now know ye, that in consideration of the premises, and for value received, ____ hereby assign all ____ interest in the said stock to the cashier of the Bank of the United States, in trust, and for the purposes aforesaid, and ____ do authorize and empower the said cashier, in person or by substitute, to transfer the said stock to the president, directors, and company of the said bank at any time they shall demand the same of ____, to be held by them in trust for the like purposes; and, in default of the payment of the aforesaid note, or in default of the payment of any other note on which ____ hereafter may obtain a discount, ____ do authorize and empower the said cashier, or the said president, directors, and company, in case the said stock shall be then standing in their names, in person or by substitute, to sell, assign, and transfer unto any person or persons as much of the said stock as may be necessary to pay whatever may be due on the aforesaid note, or on any other note to be discounted as aforesaid, together with the necessary expenses attending the same.

In witness whereof ____ have hereunto set ____ hand and seal the ____ day of ____, in the year of our Lord one thousand eight hundred and ____.

Sealed and delivered in the presence of ____

Be it known, that, on the ____ day of ____, A. D. 181____, before me, Clement C. Biddle, Esq., notary public for the commonwealth of Pennsylvania, residing in the city of Philadelphia, personally appeared ____ above named, and acknowledged the above assignment and letter of attorney to be ____ act and deed.

In testimony whereof, I have hereunto set my hand and affixed my notarial seal, the day and year aforesaid.

No. 33.

Resolution authorizing the president and cashier to renew notes on stock.

September 30, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Butler, Willing, Bohlen, Leiper, Evans, Eyre, McEuen, Savage, Bryan, Goddard, Fisher, Connelly, Bolton.

On motion,

Resolved, That the president and cashier be authorized to discount, for the renewal of such notes as may become due between discount days, on stock, until otherwise directed.

No. 34.

Resolution authorizing substitution of note of purchaser of stock.

November 6, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Butler, Connelly, Price, Willing, Bohlen, Leiper, Evans, McEuen, Savage, Goddard, Bolton, Coulter, Lippincott, Lisle.

On motion,

Resolved, That the president and cashier be authorized, in all cases when required by the party, to substitute the note and hypothecation of the person to whom the stock may be transferred, and on which loans at par have been made by this bank.

No. 35.

Resolution authorizing discounts on stock at \$125 per share.

August 26, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Butler, Ralston, Willing, Smith, Bohlen, Leiper, Evans, Eyre, Savage, Goddard, Fisher, Connelly, Bolton.

Resolved, That the substitution of money in lieu of funded debt, in the payments to the capital stock of this bank, and the redemption of upwards of thirteen millions of the funded debt proportion of the capital stock, by

the Commissioners of the Sinking Fund, render it necessary to extend the discounts of the bank, in proportion to the increase of the moneyed capital, in order to afford a reasonable dividend to the stockholders; that as no better security can be offered than the stock of the bank, at a safe and reasonable evaluation, and as there is good reason to believe that the banks in New York, and elsewhere, have loaned upon the stock of this bank at the rate of one hundred and twenty dollars per share, and perhaps more, and, of course, that little or none can, under the existing regulation, be expected to be offered to this bank, when the actual market value is so much above par; therefore it is expedient that the loans on the stock of the bank be extended to the rate of one hundred and twenty-five dollars per share, upon notes to that amount, with two approved names.*

No. 36.

Resolution to discount on bonds after the 20th February, 1817, payable in notes of specie-paying banks.

January 9, 1817.—At a meeting of the president and directors of the Bank of the United States:

Resolved, That the board, taking a deliberate view of the present and prospective resources of the bank, and of the disposition and means exhibited by the Government to aid the operations of the bank, and sustain its efforts to facilitate the fiscal measures of the Treasury, and the resumption of specie payments, is of opinion that the bank will be enabled to afford the required facilities during the period mentioned by the Secretary; and to this end the bank and its branches will, from the 20th of February, to the 1st of July next, discount approved bills on notes not having more than sixty days to run, and made payable in specie, or notes of the Bank of the United States, or of other banks actually paying specie for their notes on demand, for those who may have bonds to pay during that period, on account of the revenue arising from imports in the principal commercial cities.

No. 37.

Resolution rating funded debt at par, instead of 90.

May 20, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Butler, Bowne, Ralston, Price, Willing, Bohlen, Leiper, Evans, Savage, Bryan, Goddard, Fisher, Connelly.

Resolved, That so much of the resolution of this board as directs that the six per cent. stock of the United States shall be rated at ninety per cent. be rescinded, and, until otherwise directed, the said stock shall, in all deposits to secure the payment of notes, be rated at par.

No. 38.

Resolution requiring reduction of discounts on pledged stock above its par value, or the substitution of stock at par.

October 20, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Butler, Connelly, Willing, Leiper, Evans, McEuen, Coulter, Lippincott, Lisle, Goddard.

Resolved, That the cashiers of the respective offices, at which discounts on the collateral security of stock of this bank may have been granted, be instructed to inform those who may have borrowed at a rate exceeding the par value thereof, that a reduction of twenty-five per cent. of the excess will be required every sixty days, until the whole of the said excess shall be extinguished; or that any such borrower may, at his option, pledge such an additional amount of funded debt of the United States, or stock of this bank at the par value thereof, as shall be equal to the amount of such excess.

No. 39.

Resolution appointing a committee to inquire into the propriety of an agency in Europe to pay bank dividends.

November 7, 1816.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Willing, Leiper, Eyre, Butler, Lloyd, Evans, Bryan, Buchanan, Chauncey, Wetherill, Boyd, Ralston, Smith, McEuen, Goddard, Price, Bohlen, Savage, Donnell.

Mr. D. A. Smith offered the following resolution, which was adopted:

Resolved, That a committee be appointed to take into consideration the propriety of establishing an agency in London, for the payment of the dividends upon such proportion of the capital stock of this bank as may be held by persons residing in Europe; and that they be requested to report to the board on Monday, the 25th instant.

Messrs. Ralston, Price, Willing, Bohlen, and Eyre were appointed.

No. 40.

Report of committee unfavorable to an agency in England to pay bank dividends.

At a meeting of the president and directors of the Bank of the United States, held 26th November, 1816, the following report of a committee was considered, viz: Present, W. Jones, president; Messrs. Girard, Astor, Smith, Buchanan, Livingston, Leiper, Rodney, McEuen, Lloyd, Evans, Eyre, Butler, Bohlen, Sergeant, Boyd, Wetherill, Willing, Goddard.

The committee appointed to take into consideration the propriety of establishing an agency in London, to provide for the payment of the dividends on the portion of the capital stock held by persons residing in Europe, and to whom was referred a letter from James Renwick, Esq., beg leave to report:

That, in considering the subject of an agency for paying the dividends in Europe, the advantages to be derived by enhancing the value of the shares of the capital stock of the bank, and the probable effect which such a measure would have on reducing the rate of exchange, by inducing capitalists to invest their funds in the stock, and

* *Note by the committee.*—The practical construction given to this resolution was, that an endorser was required, and was held liable only for the excess above the par value of the stock.

thereby facilitating the resumption of specie payments, have been duly appreciated; and nothing but a serious apprehension that, under the existing unfavorable balance of trade, a heavy loss would probably accrue to the bank, could influence the committee to decline the unqualified recommendation of such agency. But if, as it is supposed, a considerable additional sum to the nominal dividends would be necessary to make payments in Europe, there would justly be great cause of complaint on the part of the American stockholder. To remit, however, the dividends to England, for the account of the holders of the stock in Europe, cannot, in the opinion of your committee, be objected to; for which purpose, an agent might be appointed to act for the proprietors of the stock as well as for the bank.

In considering the proposition of Mr. Renwick, as the agent of Messrs. Reid, Irving, & Co., of London, to supply the bank with ten millions of dollars in specie, the committee were led to make the following inquiries of that gentleman, viz:

In the event of an arrangement, can the pledge of stock be dispensed with?

Can a lower price be named at which the specie would be furnished?

Can the condition of future exclusive agency for the bank be dispensed with?

And on what terms would a loan be negotiated, to be remitted in specie, or drawn for, at the option of the bank?

Mr. Renwick replied to the first inquiry, that the pledge of stock cannot be dispensed with.

To the second, that he was not authorized to conclude any contract but at the price of four shillings and eight pence (4s. 8d.) per dollar.

To the third, that the inducement to make the offer of ten millions of dollars in specie, was the hope of obtaining the agency of the bank in Europe.

To the fourth, that the commission for negotiating a loan would be the same as paid by the late Bank of the United States, and other foreign correspondents, for accepting in advance, negotiating loans, and procuring specie, that it is ascertained it would amount to — per cent. on the whole of the transactions.

The proposition, as contained in Mr. Renwick's letter, appears to be the only terms on which it is in his power to contract for the specie. It also is the impression of Mr. Renwick, from advices lately received from the house in London, that there is little hope of obtaining any large supplies of specie on better terms than those they offer.

The committee are deeply impressed with the importance of accomplishing an object so well calculated to inspire public confidence as the importation of a large sum in specie; and they have reason to believe that several of the State banks will be desirous of a participation in an arrangement of this kind, which, in its operation on the public mind, would have the same salutary influence as if the whole was confined to the Bank of the United States. The benefit, however, to be derived from the measure, will, in the opinion of your committee, very much depend upon the promptitude with which an attention is given to this object.

The committee, therefore, beg leave to submit, for the consideration of the board, the following resolutions, viz:

Resolved, That it is inexpedient, at this time, to establish an agency in England, for the payment of the dividends upon such portion of the capital stock of this bank as may be held by persons residing in Europe, but upon terms that will preserve the bank from contingency, either in the purchase or price of exchange.

Resolved, That the proposition made by James Renwick, Esq., on behalf of Messrs. Reid, Irving, & Co., London, to supply ten millions of dollars in specie, though much to be appreciated in some particulars, cannot, under all the circumstances, be acceded to by this bank.

Resolved, That this bank will pursue prompt and efficient measures to import into the United States from Europe a sum in specie not exceeding five millions of dollars.

No. 41.

Resolution respecting establishment of agency in England to pay bank dividends.

November 28, 1816.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Smith, Astor, Evans, McEuen, Bryan, Butler, Buchanan, Bohlen, Eyre, Livingston, Goddard, Boyd, Ralston, Willing, Leiper, Sergeant, Rodney, Lloyd, Wetherill.

The board resumed the consideration of the resolution postponed on the 26th instant; which, being amended, was as follows, viz:

Resolved, That it is expedient at this time to establish an agency in England, for the payment of the dividends on such portion of the capital stock of this bank as may be held by persons residing in Europe; and that John Sergeant, Esq., be instructed to make such arrangements for the payment there, at the par of exchange, at the risk and expense of the bank.

And on the question, "Shall the resolution, as amended, pass?" the yeas and nays were called for, and were as follows, viz:

Yea.—Messrs. Buchanan, Sergeant, Smith, Leiper, Evans, Wetherill, Eyre, McEuen, Bryan, Goddard, and Jones, president.—11.

Nay.—Messrs. Girard, Butler, Astor, Ralston, Willing, Lloyd, Bohlen, Rodney, Livingston, and Boyd.—10.

So the resolution, as amended, was adopted.

The following letter from John Donnell, Esq., was read, and ordered to be entered on the minutes, viz:

Sir:

RENSHAW'S, November 28, 1816.

Understanding that a question will be raised this day as to the payment at par of the dividends, when due, on such part of the stock of the Bank of the United States as may be owned in Europe, and convinced that the interest of the stockholders will be promoted by deciding this question in the affirmative, I feel infinite solicitude to record my vote upon the question. Notwithstanding, therefore, my severe indisposition, I will proceed to the bank for this purpose, unless my vote can be received in my chamber, or by letter addressed to the board. Will you then do me the favor, if I cannot be indulged in the alternative of voting by letter, or in my chamber, to inform me when the question is about to be taken, that I may obtain for myself the high gratification of having contributed to a decision, which, more than any other yet adopted, will procure for the directors the approbation and future countenance of their constituents? The measure, if not now, will hereafter, to a certainty, be adopted; and I should be very unwilling, indeed, that any part of its merit should be lost by those with whom I have heretofore acted, and whose energetic and liberal administration has already been so useful. Although it may be considered superfluous, I will add, that I do not expect to buy or sell any stock of the Bank of the United States; what I own I mean to keep; but I feel it my imperative duty to do all in my power to give to that stock its highest value, and as soon as possible

I remain your obedient, humble servant,

JOHN DONNELL.

W. JONES, Esq., President of the United States Bank.

No. 42.

Statement of discounts in the Bank of the United States and the following offices of discount and deposite, on pledges of United States' funded debt, bank stock, &c.

Date.	Banks.	U States bank stock.	Loaned on Unit- ed States bank stock.	Mississip- pi stock.	Loaned on Missis- sippi stock	7 per cent funded debt	Loaned on 7 per ct. fund- ed debt.	Six per cent. funded debt.	Loaned on six per cent. fund- ed debt.	State bank stock.	Loaned on State bank stock.	State stock	Loaned on State stock.	Mortgage of real estate.	Loan'don mortgage of real es- tate.	Excess of secu- rity above loans.
1818.																
Oct. 27,	Bank United States,	Shares.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
	Office, Baltimore,	47,350	4,680,800 00	100,000	79,200	23,402 43	23,000	178,667 60	140,750 00	-	-	-	-	-	272,320 03	
Nov. 14,	Office, Washington,	-	32,794	2,229,695 78	-	-	-	29,800 00	29,800 00	35,940	35,940	107,000	-	-	1,326,527 75	
Oct. 24,	Office, Richmond,	-	1,255	96,800 00	-	-	-	8,000 00	7,200 00	253,715	194,570	-	-	-	79,845 00	
Oct. 26,	Office, Charleston, S.C.	-	2,645	208,860 16	-	-	-	-	10,000	6,900	4,300	1,875	-	-	61,164 84	
Nov. 3,		9,537	806,799 00	-	-	-	-	98,252 50	90,630 06	-	-	-	-	10,000	6,000	158,663 44
		93,581	8,022,954 91	100,000	79,200	23,402 43	23,000	314,720 10	268,380 06	299,655	237,410	111,300	108,875	10,000	6,000	1,898,521 06

RECAPITULATION

		Stock.		Loans.
Bank of the United States,	-	- 47,350 United States bank shares, \$100,000 00 Mississippi stock, 23,402 43 Funded 7 per cent. stock. 178,667 60 Funded 6 per cent. stock,	- \$4,680,800 00 - 79,200 00 - 23,000 00 - 140,750 00	\$4,923,750 00
Office of discount and deposite at Baltimore,	-	- 32,794 United States bank shares, \$29,800 00 Funded 6 per cent. stock, 35,940 00 State bank stock, 107,000 00 State of Maryland stock,	- 2,229,695 78 - 29,800 00 - 35,940 00 - 107,000 00	3,402,435 78
Office of discount and deposite at Washington,	-	- 1,255 United States bank shares, \$8,000 00 Funded 6 per cent stock, 253,715 00 State bank stock,	- 96,800 00 - 7,200 00 - 194,570 00	298,570 00
Office of discount and deposite at Richmond,	-	- 2,645 United States bank shares, \$10,000 00 State bank stock, 4,300 00 State stock,	- 208,860 16 - 6,900 00 - 1,875 00	217,635 16
Office of discount and deposite at Charleston, S. C.,	-	- 9,537 United States bank shares, \$98,252 50 Funded 6 per cent. stock, 10,000 00 Mortgage of real estate,	- 806,799 00 - 90,630 06 - 6,000 00	

Excess of particular loans above the par value of the stock pledged

Bank of the United States, - - - - -	\$173,450 00
Office of discount and deposite at Baltimore, - - - - -	276,823 23
	<hr/>
	<u>\$450,273 23</u>

No. 43.

General table exhibiting the state of the bank from its commencement to November, 1818.

#	Date.	Amount of bills discounted on personal security.	On funded debt.	Bank stock.	Bills of exchange.	Due from State banks.	Notes in circulation.	Specie on hand.	Public deposits.	Discounts received.	Notes of State banks.	Due to State banks.	Individual deposits.
	January 31, 1817,	\$293,502 63		\$182,642 40	-	\$492,956 64	\$605,617 00	\$1,160,072 01	\$1,147,772 97	\$6,608 29	\$519,561 22	-	\$199,508 17
	April 30, "	20,510,962 64	*	*	-	6,912,413 97	4,615,842 58	1,811,839 27	11,345,796 78	155,426 19	1,154,362 04	\$1,032,734 64	2,759,127 11
	July 29, "	25,770,120 59	*	*	\$465,416 26	3,972,318 08	4,759,861 00	2,129,368 51	24,746,641 26	232,775 00	1,757,268 25	1,547,418 68	3,023,167 76
	October 31, "	22,502,724 87	-	9,913,377 30	1,347,934 41	5,570,344 35	5,492,827 63	2,271,611 90	7,743,899 74	634,915 33	1,825,241 74	3,051,675 29	4,535,280 04
	Jan. and Feb. 1818,	29,609,591 61	\$327,645 00	11,244,514 19	1,033,682 30	4,162,748 47	8,339,448 50	2,515,949 00	7,369,911 47	466,609 58	1,837,254 20	2,958,854 68	4,309,296 94
	Mar. and Apr. "	30,359,742 23	349,200 00	10,616,580 92	1,801,984 75	4,361,658 37	9,885,396 47	2,290,646 79	8,623,787 07	806,243 79	2,120,751 83	3,290,284 64	4,676,382 88
	May, "	29,998,697 11	382,310 00	10,859,811 09	1,664,902 72	3,671,347 67	8,766,000 08	2,489,719 04	8,148,470 55	1,231,946 28	2,135,350 26	2,498,504 60	4,335,555 23
	June and July, "	30,318,932 50	548,241 36	10,591,811 41	1,188,291 71	4,657,217 61	9,045,216 35	2,357,137 48	7,967,775 14	129,213 11	2,398,698 62	2,194,153 94	4,786,923 15
	July 21 to 30, "	28,836,670 28	516,489 30	10,657,125 85	1,236,952 64	2,381,754 12	8,685,359 01	2,455,288 04	8,096,667 68	290,450 32	4,550,720 94	2,516,063 17	4,486,190 32
	August, "	28,089,093 79	421,845 20	10,204,131 63	1,242,495 56	4,254,433 31	8,214,885 10	2,780,728 15	8,560,187 72	443,544 80	2,838,632 19	1,796,643 83	3,924,232 44
	September, "	27,841,902 55	445,331 42	10,335,211 46	1,647,659 36	5,148,292 53	8,713,351 05	2,815,208 96	9,136,527 57	733,942 41	2,541,072 30	1,337,040 81	3,850,016 26
	October, "	27,125,441 10	376,681 42	9,704,421 58	885,819 61	4,724,438 26	8,348,421 82	2,176,928 92	5,717,321 16	860,852 21	1,974,037 01	1,067,404 30	3,423,483 75
	November, "	26,989,992 12	302,794 78	8,934,712 94	494,529 63	4,337,569 21	7,286,069 49	+2,739,626 28	1,385,190 63	1,063,907 49	2,039,001 58	673,884 82	3,064,162 99

* The accounts do not discriminate at these periods between the different kinds of stock, but the whole amount is placed under the head of discounts on personal security.

† Inclusive of specie from Havie.

No. 44.

Respecting appropriations of \$500,000 to the disposal of the president and cashier.

August 5, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, William Jones, president; Messrs. Girard, Butler, Williams, Ralston, Willing, Leiper, Evans, Wetherill, Eyre, McEuen, Goddard, Fisher, Connelly, and Bolton.

The following resolution was offered by Mr. McEuen:

Resolved, That the president and cashier be authorized to make loans on the stock of this bank, and on six per cent. stock of the United States, reporting to the board at each subsequent meeting.

Ordered to lie on the table.

August 8, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, William Jones, president; Messrs. Ralston, Willing, Leiper, Eyre, McEuen, Goddard, Fisher, Connelly, and Bolton.

The board resumed the consideration of the resolution moved by Mr. McEuen at the last meeting; when, on motion, the same was postponed, in order to introduce the following substitute, offered by Mr. Connelly, which substitute was adopted, as follows, viz:

Whereas it may frequently occur that, after the discounts for the day shall have been closed, there may still remain a balance of the income unemployed, or it may be thought expedient that the discounts should be extended; therefore,

Resolved, That this board will place at the disposal of the president and cashier a certain sum, which they shall be authorized to loan exclusively on a deposite of stock of the United States, or the stock of this bank, and that they report accordingly to the board at the next meeting.

In pursuance of the foregoing resolution, the board directed that a sum of \$500,000 be placed under the control of the president and cashier, in the interval between this and the next meeting of the board.

August 12, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Girard, Ralston, Willing, Bohlen, Leiper, Evans, Eyre, McEuen, Savage, Goddard, Connelly, and Bolton.

On motion,

Resolved, That \$500,000 be placed under the control of the president and cashier, agreeably to a resolution of the board of the 8th instant.

September 2, 1817.—Present, William Jones, president; Messrs. Girard, Butler, Williams, Ralston, Willing, Smith, Bohlen, Leiper, Evans, Eyre, Savage, Bryan, Goddard, Fisher, Connelly, and Bolton.

On motion,

Resolved, That \$500,000 be placed under the control of the president and cashier, as usual.

September 5, 1817.—Present, William Jones, president; Messrs. Butler, Ralston, Willing, Smith, Bohlen, Leiper, Evans, Eyre, McEuen, Savage, Goddard, Connelly, and Bolton.

On motion,

Resolved, That \$500,000 be, as usual, placed under the control of the president and cashier.

September 9, 1817.—Present, William Jones, president; Messrs. Girard, Ralston, Willing, Bohlen, Leiper, Eyre, McEuen, Goddard, Fisher, Connelly, Bolton, and Butler.

On motion,

Resolved, That the president and cashier be authorized to discount for the renewal of notes, on stock, which may fall due between this and the next discount day.

No. 45.

Abstract of the price of United States bank stock, from Grotjan's and Day & Turner's Prices Current, and McEuen's Statement.

	Last of December, 1816.	Highest price during Jan'ry, 1817.	April, 1817.	After May 20, and before June 15, 1817.	First part of July, 1817.	20th August, 1817.	1st to 30th Sept. 1817.	What has been its highest price, and when.	When it began to decline in price.	What has been its lowest price, and when.	What its price is now, Dec 14, 1818.
<i>Philadelphia.</i>											
Grotjan, -	-	\$77 00	\$81 75	\$98 00	\$103 00	\$147 50	\$150 00	1817. August 30, \$156 50	1817. September 6,	1818. Nov. 2, \$110 00	\$110 00
Day & Turner, -	-	74 00	-	-	100 00	147 50	152 00	Sept. 6, 155 00	September 22,	Dec. 5, 110 00	110 00
McEuen's Statement, -	\$41 87½	76 50	81 to 82	98 00	97 50	144 00	About 150	August 30, 156 50	-	Dec. 16, 111 00	110 00
<i>Baltimore.</i>										Par at time subscr'd.	
Grotjan, -	-	-	-	-	-	-	-	-	-	Nov. 16, 112 00	114 00
Day & Turner, -	42 00	74 00	-	-	102 00	Aug. 23, 144 00	153 00	Sept. 7, 155 00	September 22,	Dec. 5, 110 00	
<i>New York.</i>											
Grotjan, -	-	-	-	-	-	-	-	-	-	Dec. 7, 110 00	
Day & Turner, -	-	73 00	81 75	95 00	100 00	Aug. 26, 150 00	148 00	Sept. 2, 155 00	September 9,	Dec. 11, 110 00	110 00
<i>Boston.</i>											
Day & Turner, -	37 00	37 00	-	-	99 00	Aug. 25, 140 00	149 00	Jan. 5, 153 50	1818. January 7.		

No. 46.

Paper and statements relative to the Richmond office.

DEAR SIR:

OFFICE BANK UNITED STATES, RICHMOND, January 6, 1819.

In answer to the inquiries contained in your letter of to-day, I have to say that no drafts have been granted upon premium at this office, nor any regulations adopted upon that subject, nor towards the regulating of exchange, further than an order of the board to the cashier to comply with the resolutions and instructions of the parent bank of the 28th August last, of which you have copies, and which order has been duly attended to. Nor have any inland bills (to such I understand you exclusively allude) been bought or sold at this office. Some few inland bills and drafts have been, as usual, negotiated, by discount or otherwise, under circumstances where the interest of the institution rendered it expedient; but the business of drawing, and of collections, ran into other channels, and was relinquished, after the receipt of the resolutions, &c. of the 28th August.

In consequence of some conversation relative thereto, I take this opportunity to state, that, under what stand upon the record of the proceedings of the board of directors of this office, of the 6th and 25th of August, 1817, in the shape of resolutions, (but which never, in my opinion, deserved to be so considered, or worthy of record, since the operation they direct could not possibly be attended with injury, being daily subject to the observation of its members, and weekly to the correction of the board,) conditional loans were made, for a very short time, to about fifty or sixty thousand dollars.

The discounting for the term of four months became almost instantly objectionable, and was abandoned after an experiment of only three weeks.

I am, most respectfully, your obedient servant,

J. B. DANDRIDGE, *Cashier.*

The Hon. JOHN TYLER.

You will please pardon the hurry with which you see this is done.

Extract from the proceedings of the 6th August, 1817.

Resolved, That the cashier of this office be, and he is hereby, authorized to lend money on the usual terms, not exceeding sixty days, at any time when application may be made, upon a deposite in pledge of the stock of the United States' funded debt, or stock of the Bank of Virginia, or of the Farmers' Bank of Virginia; and that he be, and is hereby, required to report the same to the next board succeeding any loan he may so make.

Of the 25th August, 1817.

Resolved, That the cashier of this office be authorized to discount, for a period not exceeding four months, on notes accompanied by a pledge of stock of the Bank of the United States, at par.

At a meeting of the president and directors of the Bank of the United States on Friday, August 28, 1818, the following resolution was adopted, viz:

Resolved, That all the offices of this bank forthwith cease to pay, or receive in payment, or on deposite, any bills or notes of the corporation other than those which are specially made payable at the said offices, respectively, unless the same shall be tendered in payment due to the United States.

Sec. 2. That the said offices, respectively, cease to receive and transmit to this bank, or any of its offices, any bill or note for collection, unless the party depositing the same shall agree to accept payment at the place of collection, or unless the office shall find it convenient to receive, and the party depositing the same shall allow a reasonable compensation for remitting the amount to the office where such bill or note shall have been deposited; but it will be the duty of the offices to decline receiving bills or drafts for collection when it may be considered incompatible with the interest of the bank.

Sec. 3. That the said offices forthwith cease to draw on this bank, or on each other, unless for the proceeds of bills or notes founded on real business transactions, and purchased at the current rate of exchange, exclusive of the discount for the time the same may have to run, which must not exceed one hundred and twenty days, including the time required to transmit by mail any such bill or note to the place at which the same shall be payable, unless a premium, equivalent at least to the expense, risk, and loss of time incurred in transmitting specie to the bank or the offices (as the case may be) on which such drafts may be drawn, shall be allowed for the same: *And provided*, That the offices west of the mountains confine their exchange operations to eastern bills, or bills payable at New Orleans, and draw on the bank and its offices only for the proceeds thereof, and for no other object.

Extract from the minutes.

JONATHAN SMITH, *Cashier.*

SIR:

OFFICE OF THE BANK UNITED STATES, RICHMOND, September 7, 1818.

The board of directors, at the same time that they have resolved to direct the cashier of this office to comply with the instructions contained in your letter of the 28th ultimo, and the resolutions therein enclosed, feel it incumbent on them to state to you, and through you to the board of directors at Philadelphia, for their consideration, some of the injurious effects which, in the opinion of this board, the compliance with the said resolutions and instructions will have on the affairs of this particular office, viz:

It is calculated to excite a prejudice against this bank.

It will circumscribe the circulation of our paper, and create a more general demand for, and circulation of, the paper of the State banks.

It is calculated to lessen our individual depositories, as is already experienced; and it will embarrass the regular mercantile receipts and remittances now in train, and predicated on our former operations.

And it may in some cases prevent the due collection of moneys owing to this branch, and even endanger the safety of some of the debts, by causing protests, or otherwise injuring private credits.

I am, very respectfully, &c.

JOHN RICHARD, *President pro tem.*

By order of the board.

WILLIAM JONES, Esq., *President Bank United States.*

No. 47.

State of the number of shares subscribed at the several places of subscription, for stock in the Bank of the United States, with the proportion of shares to votes in.

	Number of shares by subscribers.	Names in which taken.	Votes authorized.	Votes given.	Number of shares taken by attorney.	Number of attorneys.	Votes on such shares.	Proportion of votes authorized to shares.
Portland,	2,036	22	263	177	None.	None.	-	About 8 sh's to a vote.
Portsmouth,	1,206	14	182	131	None.	None.	-	Between 6 and 7 do.
Boston,	24,023	364	4,355	-	8,615	34	2,183	Nearly 5½ to 1.
Providence,	7,419	144	1,612	-	3,202	6	769	
Middletown,	5,873	2,474	3,813	-	5,323	27	3,633	About 1½ to 1.
Burlington,	63	2	20	-	None.	None.	-	About 3 to 1.
New York,	20,012	2,641	6,450	-	12,044	63	5,036	About 3 to 1.
New Brunswick,	1,302	84	488	-	832	7	339	
Wilmington,	4,706	1,078	2,214	-	4,530	22	2,158	
Washington,	12,708	617	3,203	-	6,783	27	2,542	
Richmond,	16,987	1,283	5,450	-	9,490	68	4,052	
Philadelphia,	88,520	3,566	19,260	-	37,330	96	16,054	About 4½ to 1.
Lexington,	9,587	710	3,291	-	4,692	14	2,388	
Cincinnati,	4,700	707	1,257	-	2,432	7	1,121	
Raleigh,	2,843	266	769	-	944	10	408	
Charleston,	25,986	1,588	7,682	-	3,389	32	1,170	3½ to 1.
Augusta,	8,263	102	1,727	-	None.	None.	-	
New Orleans,	3,085	45	435	-	1,524	1	140	
Nashville,	540	14	110	-	None.	None.	-	
Baltimore,(a)	40,141	15,628	22,187	22,010	36,230	142	21,645	Less than 2 to 1.
Belonging to U. States,		280,000			137,360	556	63,638	
		70,000						
		350,000						

Baltimore had more than one-fourth of the votes authorized; she had less than one-seventh of the shares, (excepting Government shares;) Philadelphia had nearly one-third of the shares, and about two-ninths of the votes authorized.

(a) In Baltimore there were 1,172 shares taken in 1,172 names, by George Williams, as attorney.

No. 48.

Resolution directing a post note to be paid out as proceeds of discounts.

February 10, 1818.—At a meeting of the president and directors of the Bank of the United States, the following proposition from —— was read, viz:

Present, W. Jones, president; Messrs. Butler, Connelly, Ralston, Price, Willing, Bohlen, Leiper, Evans, Wetherill, McEuen, Savage, Goddard, Fisher, Bolton, Coulter, Lippincott, Lisle.

I propose to borrow from \$20,000 to \$30,000, in post notes, payable at the end of ninety or one hundred and twenty days, to be sent to New Orleans, and to pay the same amount at Philadelphia, in United States Bank, or any of the branches of said bank, at the maturity of said notes, or sixty days after; the last would be preferred. The security for the payment, the counting-house of ——, worth \$500,000, will be bound, as I have a power to bind them in such an arrangement. Major —— and I have a power to bind him and myself, or any additional security that may be required in Kentucky, at the branch bank of the United States.

Whereupon,

Resolved, That a loan of \$20,000 be granted to Mr. ——, on the security offered, in a note payable at this bank at sixty days, the post notes to be drawn sixty days after date.

No. 49.

Resolution authorizing discounts to be paid in post notes.

January 30, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Evans, Savage, Goddard, Fisher, Girard, Price, Connelly, Bowne, Smith, Leiper, Lawrence, Bohlen, Eyre, Williams, Wetherill, Donnell, Cutts, McEuen.

On motion,

Resolved, That the board of directors of the office of discount and deposite at Baltimore be authorized to grant discounts to the amount of \$100,000, to be paid in post notes of this bank, at sixty days' date, on the drafts of the cashier of the office, for that purpose; and to be transmitted to, and at the expense and risk of, the party applying, by this bank.

No. 50, a.

Resolution for the purchase of funded stock for Government.

June 24, 1817.—At a meeting of the president and directors of the Bank of the United States:

The board having under consideration the arguments and conclusion of the honorable the Secretary of the Treasury, exhibited in his letter of the 18th instant, in opposition to the arguments of the board, and the opinion of counsel, submitted to him in support of the right of the bank to sell the two millions of war six per cent. stock in London, upon the terms of redemption expressed on the face of the certificates, came to the following determination, to wit: That, deprecating the ungracious aspect of a litigation with the Government, whose rights and authority

it is equally the disposition and duty of the board to respect and support; and although the reasoning upon which the Secretary rests the right of the Government in the case in question has failed to produce conviction in the board, yet, preferring a partial loss to the unpleasant and unprofitable collision which further controversy would produce, be it, therefore,

Resolved, That the board accepts the alternative offered by the Secretary of the Treasury, in behalf of the Commissioners of the Sinking Fund, and will purchase, as the agent of the said commissioners, two millions of war six per cent. stock of the United States, in lieu of that ordered to be sold in London on account of the bank, and will deliver the stock so purchased to the commissioners aforesaid, at the par value thereof, upon condition that the two millions ordered to be sold on account of the bank shall be redeemable only at the periods and upon the terms specified in the certificates thereof.

No. 50, b.

SIR:

BANK OF THE UNITED STATES, September 17, 1817.

I have now the honor to transmit, herewith, twenty-six certificates of funded debt of the United States, agreeably to the enclosed account and schedule, amounting, at the par or nominal value thereof, to two millions of dollars, being that which the Bank of the United States was authorized by the Commissioners of the Sinking Fund to purchase and deliver to them, (upon the terms and conditions stated in the enclosed account,) in lieu of the two millions ordered to be sold in London, on account of the bank; the par value of the funded debt now transmitted having been received by the Bank of the United States, in a draft of the Treasurer of the United States on the cashier of the said bank, for two millions of dollars, dated July 1st, 1817.

I have the honor to be, with great respect, sir, your obedient servant,

W. JONES, President.

Hon. W. H. CRAWFORD, *Secretary of the Treasury, Washington City.*

Account of funded debt transferred by order of the Secretary of the Treasury, in behalf of the Commissioners of the Sinking Fund, to Thomas T. Tucker, Treasurer of the United States, in trust for the said States; the said debt having been purchased, and is now delivered, upon the terms and conditions specified in the following copy of a resolution of the board of directors of the Bank of the United States, which the Secretary of the Treasury, in behalf of the Commissioners of the Sinking Fund, has recognised and confirmed.

BANK OF THE UNITED STATES, June 24, 1817.

Resolved, That the board accepts the alternative offered by the Secretary of the Treasury, in behalf of the Commissioners of the Sinking Fund, and will purchase, as the agent of the said commissioners, two millions of war six per cent. stock of the United States, in lieu of that ordered to be sold in London on account of the bank, and will deliver the stock so purchased to the commissioners aforesaid, at the par value thereof, upon condition that the two millions ordered to be sold on account of the bank shall be redeemable only at the periods and upon the terms specified in the certificates thereof.

No. 50, c.

Cost of \$2,000,000 funded stock, purchased by the bank for the Government.

Cost of two millions of war six per cent. stock, purchased by the Bank of the United States, as the agent of the Commissioners of the Sinking Fund, pursuant to a resolution of the board of directors of June 24, 1817, the certificates of which were forwarded to the Secretary of the Treasury on September 17, 1817:

\$2,000,000 six per cents. cost	-	-	-	-	-	-	-	\$2,054,264 26
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BANK OF THE UNITED STATES, December 19, 1818.

No. 51.

Letter of the Secretary of the Treasury to the Committee.

SIR:

TREASURY DEPARTMENT, December 4, 1818.

I have the honor to acknowledge the receipt of your letter of the 3d instant, inquiring whether I have any information which I think proper to communicate to the committee appointed under the resolution of the House of Representatives of the 30th ultimo; and particularly whether the Bank of the United States has faithfully performed its engagement to the Government; and whether it has rendered the expected facilities in the transmission of the public money, and in the collection of the duties, to the United States.

In reply to the specific inquiries which you have made, I have the honor to state, that the bank has correctly discharged the duties of commissioners of loans, and agents for the payment of military pensions, as far as it has been required by law.

It has promptly transmitted the public money wherever and whenever it has been required to perform that service. It is presumed that the facilities expected from it in the collection of duties have been furnished, as no information has been received at this Department stating that such facilities have been withheld.

Upon the general inquiry presented in your letter, I am not certain what kind of information will be acceptable to the committee. Such, however, as is in the possession of the Department, in the form of returns from the bank and its offices, accompany this letter. These returns are made monthly by the bank and its offices, and exhibit, at their several dates, the amount of discounts to individuals, by the bank and its offices respectively, and the state of the accounts between them and the State banks in their vicinity. They also show, in most cases, the amount discounted upon pledged funded debt, and bank stock, discriminating between them. The amount of specie, distinguishing between gold and silver coin, in the vaults of the bank and its offices, is distinctly exhibited in most of the returns.

The resolutions of the board of directors relative to domestic exchange, by which a premium is authorized to be demanded for checks drawn by the cashiers of the bank and its offices upon each other, are in the possession of this Department.

As much time would be required to copy the documents which are described in the foregoing observations, the originals are submitted to the inspection of the committee, with a request that they may be returned when they are no longer necessary to the investigation with which the committee has been charged.

I have the honor to be, your most obedient servant,

WM. H. CRAWFORD.

Hon. J. C. SPENCER, *Chairman of the Bank Committee.*

General statement of the Bank and its branches on the last of January, 1817.

	Bills discount-ed on personal security.	Bills discount-ed on funded debt.	Bills discount-ed on bank stock.	Bills of ex-change pur-chased.	Amount due from State banks.	Notes in cir-culation.	Specie on hand.	Public deposites.	Discounts re-ceived.	Notes of State banks on hand.	Amount due to State banks.	Individual de-posites.
United States Bank, - - -	\$293,502 63	-	\$182,642 40	-	\$605,617	\$756,097 77	\$611,789 93	\$5,699 04	\$513,128 22	-	\$89,794 17	
Portsmouth.												
Providence.												
Middletown.												
Boston.												
New York, - - -	84,973 45	-	-	-	\$465,689 45	-	169,662 98	535,983 04	706 96	-	24,407 68	
Pittsburg.												
Baltimore, - - -	19,016 92	-	-	-	27,267 19	-	234,311 26	-	202 29	6,433 00	85,306 32	
Washington, Richmond, Norfolk, Fayetteville, Charleston, Savannah, N. Orleans, Cincinnati, Chilicothe, Louisville, Lexington.												
	-	-	\$182,642 40	-	\$492,956 64	\$605,617	\$1,160,072 01	\$1,147,772 97	\$6,608 29	\$519,561 22	-	\$199,508 17

General statement of the United States Bank and its branches on the 30th of April, 1817.

	Bills discounted on personal security.	Bills dis-counted on bank stock.	Bills of ex-change pur-chased.	Amount due from State banks.	Notes in circu-lation.	Specie on hand.	Public deposites.	Discounts re-ceived.	Notes of State banks on hand.	Amount due to State banks.	Individual de-posites.	Bills dis-counted of fund'd debt.
United States Bank, - - -	\$3,014,432 52	\$129,000	-	\$3,645,757 75	\$3,561,472 58	\$700,468 58	\$4,020,756 81	\$45,631 85	\$504,164 28	\$209,590 62	\$750,588 63	
Providence.												
Boston, - - -	752,034 79	-	-	33,075 00	-	250,018 76	858,283 76	7,105 46	-	177,200 00	180,260 25	
Middletown.												
New York, - - -	2,937,397 23	-	-	412,264 76	506,845 00	268,922 92	4,276,582 30	55,199 94	323,131 07	616,402 84	798,877 57	
Portsmouth.												
Baltimore, - - -	3,164,041 59	-	-	1,864,017 70	468,065 00	113,931 09	1,637,019 70	44,418 80	186,264 68	-	680,994 33	
Richmond, Norfolk, and Lexington.												
Charleston, - - -	144,146 87	-	-	-	-	382,409 92	5,410 00	1,192 09	132,192 00	-	258,604 42	
Savannah.												
New Orleans.												
Washington, - - -	175,928 37	-	-	957,298 76	79,440 00	96,088 00	647,744 21	1,876 05	8,610 01	29,541 19	89,801 91	
Cincinnati.												
Chilicothe, - - -	10,322,981 27											
Fayetteville, Louisville, and Pittsburg.												
	\$20,510,962 64	\$129,000	-	\$6,912,413 97	\$4,615,842 58	\$1,811,839 27	\$11,345,796 78	\$155,426 19	\$1,154,362 04	\$1,032,734 64	\$2,759,127 11	

General statement of the United States Bank and its branches, July 29, 1817.

	Bills discounted on personal security.	Bills discounted on funded debt.	Bills discounted on bank stock.	Bills of exchange purchased.	Amount due from State banks.	Notes in circulation	Specie on hand.	Public depositories.	Discounts received.	Notes of State banks on hand.	Amount due to State banks.	Individual deposits.
U. States Bank, -	\$10,533,234 00	-	-	-	\$884,003 07	\$3,118,991 00	\$886,394 65	\$15,071,276 50	\$86,055 96	\$884,003 07	\$73,014 28	\$1,320,620 41
Portsmouth.												
Providence.												
Middletown.												
Boston,	1,242,686 98	-	-	-	30,000 00	-	86,265 43	849,923 42	11,181 62	-	-	337,476 97
New York,	2,747,602 29	-	-	-	212,824 00	588,175 00	189,478 12	5,391,506 86	26,652 48	227,315 66	1,260,389 96	967,801 82
Pittsburg.												
Baltimore,	5,182,031 25	-	-	\$42,000 00	359,332 58	418,470 00	219,764 43	1,629,488 02	29,898 50	98,952 30	46,922 17	448,766 91
Washington,	880,637 67	-	-	-	1,187,590 93	198,165 00	86,448 96	532,320 94	7,085 02	1,536 96	30,985 54	143,429 87
Richmond,	1,702,764 49	-	-	-	232,478 80	-	240,340 63	366,328 46	19,466 79	32,583 35	78,622 50	196,386 39
Norfolk,	641,561 43	-	-	-	141,819 73	-	146,310 99	97,149 59	2,848 50	16,998 48	938 00	83,861 75
Fayetteville.												
Charleston,	856,578 58	-	-	-	47,000 00	-	403,202 63	325,786 00	14,293 11	75,322 00	37 13	196,496 42
Savannah,	299,808 71	-	-	-	122,037 97	136,880 00	79,635 25	182,328 95	3,939 35	25,846 00	43,000 00	21,627 86
New Orleans,	445,290 80	-	-	-	206,901 53	183,100 00	62,659 13	271,099 35	5,398 21	58,056 00	949 44	182,515 24
Cincinnati,	713,415 28	-	-	-	235,055 44	-	110,925 55	6,015 57	17,921 32	13,205 00	-	66,377 78
Chillicothe.												
Louisville.												
Lexington,	524,508 11	-	-	423,416 26	313,274 03	116,080 00	117,042 84	29,413 50	8,034 14	223,349 43	12,564 66	57,816 46
Total,	\$25,770,120 59	-	-	\$465,416 26	\$3,972,318 08	\$4,759,861 00	\$2,129,368 51	\$24,746,641 26	\$232,775 00	\$1,757,268 95	\$1,547,418 68	\$3,023,167 76

General statement of the United States Bank and its branches, last of October, 1817.

	Bills discounted on personal security.	Bills discounted on funded debt.	Bills discounted on bank stock.	Bills of exchange purchased.	Am't due from State banks.	Notes in circulation.	Specie on hand.	Public deposits.	Discounts received.	Notes of State banks on hand.	Amount due to State banks.	Individual deposits.	
United States Bank,	\$6,528,245 85	-	\$6,159,355 34	-	\$1,769,191 59	\$3,678,581 63	\$368,667 37	\$4,236,193 13	\$205,973 49	\$1,091,009 37	\$472,376 71	\$1,518,828 79	
Portsmouth,	20,951 00	-	-	-	-	-	45,011 01	2,000 00	392 08	284 00	-	3,517 50	
Providence,	41,369 41	-	-	-	77,516 73	21,380 00	41,244 15	-	537 31	11,458 58	-	23,635 25	
Middletown,	116,189 17	-	-	-	18,836 16	115,710 00	16,102 67	13,150 00	1,201 49	20,029 67	6,139 89	6,504 48	
Boston,	1,279,537 74	-	211,750 00	-	-	-	158,450 06	402,507 92	212 44	-	330,000 00	474,153 83	
New York,	2,608,342 81	-	161,000 00	-	-	609,395 00	566,031 14	1,595,000 50	72,467 90	217,927 57	1,900,079 20	1,203,763 35	
Pittsburg.	-	-	-	-	-	-	-	-	-	-	-	-	
Baltimore,	5,180,456 51	-	2,743,283 06	\$182,162 77	398,847 02	532,340 00	90,057 11	122,125 49	139,772 81	178,899 20	170,808 18	421,019 83	
Washington,	641,373 23	-	291,751 05	-	879,766 10	390,040 00	64,785 00	185,323 67	21,423 58	20,012 13	27,210 28	108,624 95	
Richmond,	1,995,563 18	-	168,200 00	-	390,905 59	-	91,813 82	117,641 47	53,504 88	59,600 72	-	210,014 49	
Norfolk,	853,657 00	-	17,700 00	-	82,972 55	-	60,899 30	181,907 41	19,107 86	36,468 50	6,140 26	98,196 20	
Fayetteville.	-	-	-	-	-	-	-	-	-	-	-	-	
Charleston,	906,894 04	-	159,337 85	-	525,084 27	-	423,023 82	401,751 73	31,871 83	20,445 00	-	246,702 14	
Savannah,	337,685 65	-	2,000 00	110,918 76	230,351 06	18,470 00	79,949 36	194,985 99	10,187 00	15,888 00	26,560 05	79,556 20	
New Orleans,	610,548 55	-	-	-	563,410 55	23,440 00	61,695 39	230,115 39	16,602 62	55,180 00	94,944 00	270,013 96	
Cincinnati,	1,013,615 14	-	-	39,000 00	338,865 09	-	103,657 70	25,500 00	39,333 68	25,377 00	-	88,369 42	
Chillicothe.	-	-	-	-	-	-	-	-	-	-	-	-	
Louisville.	-	-	-	-	-	-	-	-	-	-	-	-	
Lexington,	368,295 56	-	-	715,852 88	188,597 64	123,471 00	100,214 00	35,694 04	22,296 36	42,762 00	21,416 72	82,349 65	
Dollars,	-	22,502,724 87	-	9,913,377 30	1,347,934 41	5,570,344 35	5,492,827 63	2,271,611 90	7,743,899 74	634,915 33	1,825,241 74	3,051,675 29	4,535,280 04

General statement of the Bank of the United States and its offices of discount and deposite, at the dates specified herein.

Date.		Funded debt of the United States, various	Bills discounted on personal security.	Bills discounted on funded debt.	Bills discounted on bank stock, &c.	Foreign bills of exchange.	Due from offices Bank United States.	Due from offices and bank for use of Treas'r U. S.	Due from State banks.	Real estate and permanent expenses.	Expenses.	Premium on stock purchased for the Commissioners of Sinking Fund.	Notes of the Bank United States and branches on hand.	
1818.														
July 6,	Bank United States,	\$9,430,926 60	\$4,563,462 24	\$219,750 00	\$6,048,419 49	\$1,183,027 54	\$32,861,892 92	\$3,762,837 23	\$1,121,319 22	\$293,893 19	\$3,749 89	\$54,264 26	\$5,861,857 49	
June 29,	Office Portsmouth,	-	235,000 96	5,250 00	10,300 00	-	-	-	87,000 00	-	-	-	203,065 00	
June 25,	Office Boston,	-	639,145 63	69,800 00	23,600 00	-	193,489 58	-	-	-	-	-	490,822 13	
June 25,	Office Providence,	-	401,967 50	10,500 00	3,500 00	-	12,221 84	-	17,782 63	-	10 42	-	201,850 00	
June 29,	Office Middletown,	-	336,065 73	-	39,750 00	-	17,617 14	-	9,252 98	-	-	-	107,630 00	
July 1,	Office New York,	-	2,015,250 27	1,000 00	-	-	1,150,863 95	-	64,587 36	-	1,735 66	-	347,445 00	
June 30,	Office Baltimore,	-	5,931,000 12	-	3,358,349 44	5,264 17	575,943 42	-	265,140 79	19,776 72	1,874 45	-	128,456 04	
June 29,	Office Washington,	-	1,088,821 66	16,500 00	286,295 00	-	241,864 71	-	707,992 76	14,063 90	439 10	-	362,040 00	
July 1,	Office Richmond,	-	2,809,955 06	-	231,000 10	-	333,235 95	-	282,763 17	32,955 09	1,337 51	-	541,410 00	
June 29,	Office Norfolk,	-	1,349,908 12	-	88,022 38	-	105,197 25	-	179,838 51	22,500 00	279 28	-	181,530 00	
June 23,	Office Fayetteville,	-	552,968 67	-	6,225 00	-	5,347 83	-	75,354 27	-	381 52	-	15,980 00	
June 23,	Office Charleston,	-	2,269,721 29	224,941 36	310,950 00	-	42,114 45	-	79,748 05	26,090 23	128 50	-	117,280 00	
June 23,	Office Savannah,	-	967,565 98	-	33,000 00	-	127,845 35	-	377,080 85	-	-	-	246,585 00	
June 12,	Office Lexington,	-	1,489,469 99	-	130,500 00	-	154,414 35	-	136,672 01	-	499 27	-	184,484 00	
June 16,	Office Louisville,	-	938,552 63	-	-	-	71,762 91	-	58,243 54	-	-	-	191,320 00	
June 22,	Office Chillicothe,	-	565,054 08	-	-	-	15,083 58	-	54,470 61	-	25 25	-	366,137 07	
June 20,	Office Cincinnati,	-	1,835,220 40	500 00	900 00	-	64,466 99	-	642,571 17	-	554 15	-	262,990 00	
June 6,	Office New Orleans,	-	1,419,526 03	-	21,000 00	-	156,746 86	-	497,399 69	-	63 27	-	148,620 00	
June 25,	Office Pittsburg,	-	910,276 14	-	-	-	106,009 79	-	-	14,123 13	1,242 05	-	338,250 00	
	Dollars,	-	9,430,926 60	30,318,932 50	548,241 36	10,591,811 41	1,188,291 71	36,176,118 87	3,762,837 23	4,657,917 61	423,332 26	12,320 32	54,264 26	10,197,751 73

STATEMENT—Continued.

1819.]

BANK OF THE UNITED STATES.

Date.		Notes of other banks on hand.	Specie on hand.	Capital stock.	Bank, branch, and post notes.	Dividends unclaimed.	Discount, exchange, and interest received.	Profit and loss.	Bonus.	Due to Bank United States and offices.	Due to State banks.	Due to Baring, Brothers, & Co. Adams, R. & Co., & T. Wilson & Co.	Deposites of public officers.	Deposites of individuals.
1818.														
July 6,	Bank United States,	630,722 30	598,552 37	34,972,568 63	19,242,968 08	1,252,684 40	22 87	91,151 37	135,000	1,078,815 63	1,760,668 08	6,674,759 75	1,426,465 93	
June 29,	Office Portsmouth, -	7,763 86	10,399 38	-	-	-	660 15	-	-	453,197 19	-	-	2,791 22	
June 25,	Office Boston, -	114,618 00	14,311 60	-	-	-	1,148 20	2,151 25	-	1,241,353 13	102,660 42	-	15,130 64	
June 25,	Office Providence, -	5,948 54	23,580 18	-	-	-	-	1,785 45	-	646,670 91	4,011 77	-	81,719 23	
June 29,	Office Middletown, -	9,922 19	17,786 49	-	-	-	-	1,923 50	-	512,596 82	1,775 52	-	9,846 58	
July 1,	Office New York, -	223,207 22	307,917 22	-	-	-	383 40	9,218 78	-	2,524,031 58	643,231 48	-	15,046 40	
June 30,	Office Baltimore, -	121,781 67	95,634 03	-	-	-	1,828 20	41,998 32	-	9,547,848 39	54,702 95	-	4,880 21	
June 29,	Office Washington, -	142,218 30	25,310 29	-	-	-	237 00	6,663 20	-	2,207,016 75	50,750 83	-	16,848 48	
July 1,	Office Richmond, -	89,510 00	79,606 27	-	-	-	4,051 80	14,726 85	-	4,073,128 81	20,308 99	-	138,089 19	
June 29,	Office Norfolk, -	42,821 62	57,802 31	-	-	-	-	6,692 74	-	1,788,748 63	9,784 37	-	797,052 25	
June 23,	Office Fayetteville, -	71,640 00	112,802 51	-	-	-	125 60	2,036 25	-	747,002 68	50,079 57	-	272,466 26	
June 23,	Office Charleston, -	184,348 00	316,195 08	-	-	-	3,500 40	12,147 43	-	3,012,733 59	15,222 40	-	584,376 73	
June 23,	Office Savannah, -	148,586 00	101,873 30	-	-	-	-	6,213 03	-	1,781,678 34	47,946 24	-	475,580 48	
June 12,	Office Lexington, -	116,395 00	66,846 19	-	-	-	-	3,228 40	-	2,090,506 06	75,472 72	-	145,297 46	
June 16,	Office Louisville, -	110,380 00	80,964 76	-	-	-	223 60	1,891 08	-	1,368,546 38	13,783 68	-	238,885 69	
June 22,	Office Chillicothe, -	59,880 72	125,231 41	-	-	-	-	1,485 61	-	1,165,209 30	3,243 70	-	6,028 54	
June 20,	Office Cincinnati, -	54,635 00	81,387 18	-	-	-	-	9,722 00	-	2,855,746 91	10,665 67	-	9,915 57	
June 6,	Office New Orleans, -	99,716 00	176,901 47	-	-	-	-	1,604 97	-	2,018,315 41	12,198 00	-	67,090 31	
June 25,	Office Pittsburgh, -	164,604 20	64,035 44	-	-	-	-	5,041 21	-	1,538,946 98	-	-	417,862 05	
	Dollars, -	2,398,698 62	2,357,137 48	34,972,568 63	19,242,968 08	1,264,182 60	129,213 11	91,151 37	135,000	39,573,277 86	2,194,153 94	1,760,668 08	7,967,775 14	54,345 56
														4,786,923 15

Recapitulation of the foregoing statement.

Funded debt of the United States, various,	-	-	\$9,430,926 60	Capital stock,	-	-	-	-	\$34,972,568 63
Bills discounted, viz:				Bank, branch, and post notes,	-	-	-	-	19,242,968 08
On personal security,	-	\$30,318,932 50		Dividends unclaimed,	-	-	-	-	1,264,182 60
On personal security and pledged funded debt,	-	548,941 36		Discount, exchange, and interest account,	-	-	-	-	129,213 11
On personal security and pledged bank stock,	-	10,591,811 41		Profit and loss,	-	-	-	-	91,151 37
				Bonus,	-	-	-	-	135,000 00
Foreign bills of exchange,	-	-	41,458,985 27	Due to Bank United States and its offices of discount and deposite,	-	-	-	-	39,573,277 86
Due from offices of discount and deposite,	-	-	1,188,291 71	Due to State banks,	-	-	-	-	2,194,153 94
Due from State banks,	-	-	36,176,118 87	Due to Baring, Brothers, & Co., Adams, R. & Co., and T. Wilson & Co.	-	-	-	-	1,760,668 08
Due from offices and sundry banks for the use of the Treasurer of the United States,	-	-	4,657,217 61	Deposites of public officers,	-	-	-	\$7,967,775 14	
Real estate and permanent expenses,	-	-	3,762,837 23	Deposites of individuals,	-	-	-	4,786,923 15	
Expense account,	-	-	423,332 26						
Premium on stock purchased for the Commissioners of the Sinking Fund,	-	-	12,320 32						
Cash, viz:			54,264 26						
Notes issued,	-	\$19,242,968 08							
Do. circulating, *	-	9,045,216 35							
Notes on hand,	-	10,197,751 73							
Notes of other banks on hand,	-	2,398,698 62							
Specie on hand,	-	2,357,137 48							
			14,953,587 83						
			\$112,117,881 96						\$112,117,881 96

BANK OF THE UNITED STATES, July 9, 1818.

JONATHAN SMITH, *Cashier.*

* Post notes, \$2,222,013 84, bank and branch notes, \$6,823,202 51.

General statement of the Bank of the United States and its offices of discount and deposite, at the dates specified therein.

1819.]

BANK OF THE UNITED STATES.

Date.		Funded debt.	Bills discounted on personal security.	Bills disc'td on funded debt.	Bills discount-ed on bank stock.	Foreign bills of exchange	Due from offices of Bank U. S.	Due from offi-ces for use of Sec. Treas'y.	Due from banks for use of Sec. Tr'y.	Due from State banks.	Real estate and perman't expenses.	Expenses.	Notes of Bank U. S., payable to bearer, on hand.	Post notes on hand.
1818.														
Nov. 26	Bank U. States, -	7,393,049 12	2,730,225 18	161,800 00	4,736,450 00	489,265 46	33,178,771 69	1,333,718 45	118,918 20	1,258,279 88	397,648 35	31,855 94	2,226,689 94	5,893,904 42
Nov. 23	Office Portsmouth,	-	210,498 69	3,250 00	6,800 00	-	55,796 56	-	-	-	-	1,253 62	195,960 00	
Nov. 19	Office Boston, -	-	262,350 86	31,300 00	22,900 00	-	527,354 92	-	-	6,000 00	-	6,457 30	340,970 00	
Nov. 19	Office Providence, -	-	491,030 46	4,700 00	1,210 00	-	14,455 95	-	-	13,106 70	-	2,203 10	200,180 00	100 00
Nov. 23	Office Middletown,	-	310,984 38	-	43,700 00	-	64,942 65	-	-	9,979 75	-	1,370 55	86,830 00	
Nov. 25	Office New York, -	-	1,642,174 08	3,700 00	40,000 00	-	1,237,202 28	-	-	210,269 84	-	11,315 24	430,730 89	
Nov. 23	Office Baltimore, -	-	4,939,341 77	-	2,420,235 78	5,264 17	1,320,870 77	-	-	133,564 39	20,409 72	7,608 65	176,290 00	
Nov. 21	Office Washington, -	-	1,258,870 40	1,800 00	293,570 00	-	1,036,828 42	-	-	36,379 44	14,977 67	1,979 96	390,435 00	
Nov. 18	Office Richmond, -	-	2,150,052 58	-	201,091 16	-	696,290 80	-	-	164,620 37	32,955 09	8,008 02	460,470 00	2,100 00
Nov. 23	Office Norfolk, -	-	1,125,334 39	-	105,400 00	-	260,991 19	-	-	37,956 76	22,500 00	2,955 21	161,910 00	
Nov. 17	Office Fayetteville,	-	634,461 88	-	29,376 00	-	57,482 15	-	-	62,773 11	-	5,342 62	14,890 00	
Nov. 17	Office Charleston, -	-	2,197,918 82	70,744 78	857,184 00	-	12,232 00	-	-	559,809 44	32,901 89	7,582 32	86,480 00	
Nov. 17	Office Savannah, -	-	770,730 08	25,000 00	38,000 00	-	88,227 48	-	-	11,692 75	-	6,537 02	299,550 00	
Nov. 13	Office Lexington, -	-	1,655,027 50	-	56,996 00	-	219,833 51	-	-	266,641 88	-	5,102 92	183,413 00	
Nov. 10	Office Louisville, -	-	1,229,520 44	-	-	-	72,855 95	-	-	60,362 36	-	3,031 92	226,550 00	2,600 00
Nov. 16	Office Chillicothe, -	-	632,256 07	-	-	-	47,290 56	-	-	105,931 00	-	3,568 42	400,900 33	5,600 00
Nov. 14	Office Cincinnati, -	-	1,865,883 05	500 00	1,000 00	-	173,411 07	-	-	779,720 10	-	5,278 21	277,095 00	
Oct. 31	Office N. Orleans, -	-	2,002,832 15	-	80,800 00	-	63,890 86	-	-	555,481 44	-	3,745 12	357,645 00	
Nov. 19	Office Pittsburg, -	-	873,499 34	-	-	-	249,200 99	-	-	65,000 00	14,123 13	5,344 93	282,255 00	
	Dollars, -	7,393,049 12	26,989,992 12	302,794 78	8,934,712 94	494,529 63	39,377,929 80	1,333,718 45	118,918 20	4,337,569 21	535,515 85	121,541 07	6,799,244 16	5,904,304 42

STATEMENT—Continued

Date.		Other bank notes on hand.	Specie.	Capital.	Branch, bank, and post notes	Dividends unclaimed.	Discount, exchange, and interest rec'd.	Profit and loss.	Bonus	Due Bank U. S. and offices.	Due to State banks.	Due to Thru ret & Co. and T. Wilson & Co.	Deposites on account Treas U. S.	Deposites on acct. of collectors and other public officers	Deposites of individuals.
1818.															
Nov. 26	Bank U. States, -	241,998 56	502,432 74	34,972,778 63	19,989,618 07	32,919 30	176,230 70	102,584 88	135,000	-	141,005 50	499,517 04	3,612,799 00	159,862 64	872,692 17
Nov. 23	Office Portsmouth, -	9,218 45	11,500 16	-	-	-	6,637 70	-	-	473,358 34	-	-	-	4,811 40	9,470 04
Nov. 19	Office Boston, -	49,389 12	9,002 50	-	-	392 00	11,788 54	-	-	940,546 21	36,323 45	-	-	79,723 18	186,951 32
Nov. 19	Office Providence, -	4,307 37	16,728 10	-	-	35 00	14,420 04	-	-	686,422 45	8,355 57	-	-	32,869 44	5,919 18
Nov. 23	Office Middletown, -	37,816 00	22,657 00	-	-	-	10,924 41	-	-	554,185 89	1,516 02	-	-	7,180 48	4,473 53
Nov. 25	Office New York, -	177,252 90	65,330 72	-	-	877 00	52,764 27	-	-	2,817,695 96	38,702 80	-	-	359,421 32	548,514 60
Nov. 23	Office Baltimore, -	219,088 86	26,714 87	-	-	4,055 30	225,437 58	-	-	8,532,397 40	49,726 58	-	68,262 62	192,940 02	196,568 68
Nov. 21	Office Washington, -	31,676 50	63,477 18	-	-	893 50	53,164 47	-	-	1,657,873 67	51,021 76	-	1,003,622 90	244,317 59	119,100 68
Nov. 18	Office Richmond, -	139,842 10	44,881 34	-	-	4,657 20	74,626 93	-	-	3,519,407 78	44,685 06	-	-	50,920 28	206,014 21
Nov. 23	Office Norfolk, -	39,441 15	51,511 03	-	-	352 00	38,649 91	-	-	1,549,339 46	68,186 05	-	-	32,541 20	119,934 11
Nov. 17	Office Fayetteville, -	58,930 00	111,861 36	-	-	300 00	18,758 09	-	-	878,660 44	25,642 43	-	-	6,865 97	24,890 19
Nov. 17	Office Charleston, -	222,715 00	236,362 52	-	-	7,954 60	87,632 39	-	-	3,755,830 20	24,386 37	-	-	76,182 41	331,944 80
Nov. 17	Office Savannah, -	311,612 75	148,870 29	-	-	2,278 00	30,695 55	-	-	1,474,772 62	104,019 53	-	-	42,372 27	53,082 40
Nov. 13	Office Lexington, -	81,401 00	180,499 95	-	-	129 00	55,128 49	-	-	2,535,399 95	1,953 67	-	-	9,516 06	46,788 59
Nov. 10	Office Louisville, -	117,290 59	201,796 97	-	-	133 50	35,037 22	-	-	1,787,821 58	41,777 33	-	-	-	49,238 60
Nov. 16	Office Chillicothe, -	50,095 50	182,549 97	-	-	-	18,927 61	-	-	1,383,683 21	38 15	-	-	13,813 32	11,729 56
Nov. 14	Office Cincinnati, -	61,186 00	132,709 39	-	-	-	71,338 02	-	-	3,175,827 95	5,567 55	-	-	-	44,049 30
Oct. 31	Office N. Orleans, -	59,460 83	289,067 55	-	-	-	51,718 61	-	-	3,046,545 90	30,977 00	-	-	71,721 05	211,960 39
Nov. 19	Office Pittsburg, -	126,276 70	91,672 64	-	-	-	30,026 96	-	-	1,656,373 13	-	-	-	132 00	20,840 64
	Dollars, -	2,039,001 58	2,389,626 28	34,972,778 63	19,989,618 07	54,976 40	1,063,907 49	102,584 88	135,000	40,446,142 14	673,884 82	499,517 04	4,684,684 52	1,385,190 63	3,064,162 99

Recapitulation of the foregoing statement.

Bank, branch, and post notes issued,	\$12,730,000 00		Funded debt, -	- -	\$7,393,049 12	Capital stock, -	-	\$34,972,778 63
Bank, branch, and post notes on hand,	6,799,244 16		Bills discounted, viz:			Bank, branch, and post notes, -	-	19,989,618 07
In circulation,	- -	\$5,930,755 84	On personal security, -	\$26,989,992 12		Dividends unclaimed, -	-	54,976 40
Post notes issued,	7,259,618 07		On funded debt and ditto, -	302,794 78		Discount, exchange, and interest received, -	-	1,063,907 49
Post notes on hand,	5,904,304 42		On bank stock and ditto, -	8,934,712 94		Profit and loss, -	-	102,584 88
In circulation,	- -	1,355,313 65	Foreign bills of exchange, -	- -	36,227,499 84	Bonus, -	-	135,000 00
Total in circulation,	- -	\$7,286,069 49	Due from offices, -	39,377,929 80	494,529 63	Due to Bank U. S. and offices of discount and deposite, -	-	40,446,142 14
			Due from offices for the use of the Treasurer of the U. S., -	1,333,718 45	40,711,648 25	Due to State banks, -	-	673,884 82
			Due from State banks, -	4,337,569 21		Due to Thuret & Co. and T. Wilson & Co., -	-	499,517 04
			Due from State banks, for the use of Treasurer of the U. S.	118,918 20		Deposites on account of—		
			Real estate and permanent expenses, -	- -	4,456,487 41	Treasurer U. S., -	\$4,684,684 52	
			Expenses, -	- -	535,515 85	Collectors and other public officers, -	1,385,190 63	
			Cash, viz:		121,541 07	Individuals, -	3,064,162 99	
			Notes of Bank U. S. payable to bearer, -	6,799,244 16				9,134,038 14
			Post notes, -	5,904,304 42				
			Notes of other banks, -	2,039,001 58				
			Specie, -	2,389,626 28	17,132,176 44			
					\$107,072,447 61			
								\$107,072,447 61

BANK OF THE UNITED STATES, December 1, 1818.

JONATHAN SMITH, *Cashier.*

NOTE.—The amount of "specie on hand" exhibited in this statement does not include the sums received from Havre, per ships Favorite and Belle, (\$350,000,) the amounts being placed to the credit of the Bank of the United States, on the books of the office in New York, subsequent to the date of the "state of the office," included in this statement.

No. 52.

Interrogatories to William Jones, Esq., President, and to Jonathan Smith, Esq., Cashier of the Bank of the United States.

1st. What is the total amount of money which has been placed by the board of directors at the disposal of the president and cashier under the resolution of 8th of August, 1817?

2d. Has any written account of its employment been preserved distinct from the common discount books? If so, produce that account. If not, point out in the discount books the loans which were made under that authority.

3d. Were any loans renewed by the president and cashier under the resolution of 9th September, 1817, authorizing them to make such renewals? If so, to whom were those loans renewed?

4th. Are any of the loans thus made, or renewed, yet unpaid? If so, state them.

5th. Was the amount so authorized to be employed placed to the credit of the president and cashier on the books of the bank? Were they to draw for it in their own names? or was it to be drawn for by the discounters?

6th. Does a similar regulation, to your knowledge, exist at any of the branches? Or has any authority been given by the parent board to the directors of any of the offices to make a similar appropriation?

7th. At the time of making the loans by the president and cashier, what was the agreement or understanding between you and the discounters respecting the time of payment?

8th. What did you understand to be the reason for passing the resolution?

9th. Has a similar power, to your knowledge, ever been given by any other bank? If so, name the bank or banks.

Second general head.—On the subject of notes pledged for stock.

1st. Were those notes which were discounted prior to the 30th January, 1817, on pledged stock, paid at the times when they respectively fell due? State an average amount of those which were paid and of those that now remain unpaid.

2d. Was there any understanding among the directors, or between them or their officers and these stockholders, that those notes should be renewed? If so, state the nature of such understanding, and how long the renewals were to be made.

3d. With respect to notes discounted to stockholders on pledged stock before the 30th July, 1817, was there any understanding between the directors, or their officers, and the discounters, that such notes should be renewed in preference to others?

4th. Was there any such understanding in respect to notes discounted on pledged stock after the 20th of July, 1817?

5th. What appropriation was generally made by the stockholders of the proceeds of notes discounted on pledged stock? That is, were such proceeds drawn out of the bank, or otherwise applied, and how?

6th. Do you understand the resolutions of the directors allowing discounts on pledged stock to authorize such discounts upon the nominal value of the shares, or upon the sum actually paid in upon each share?

7th. Were discounts made to stockholders upon pledged stock, before the second instalment, or any part of it, was paid?

8th. If so, state, according to the information you possess, what amount upon each share was thus discounted.

9th. Was it understood by the public generally, and by the subscribers to the capital stock particularly, previous to January, 1817, that the second instalment would, in all cases, be required in cash and funded debt?

10th. Was it generally known, or were any means adopted by the directors to cause it to be known, that the notes of stockholders would be received in payment of any part of the second instalment? State particularly what those means were, if any, and at what places such information was received, and when.

Third general head.—Exchanges.

1st. Have any regulations been adopted by the board of directors on the subject of the exchange business between the bank and its offices, and between the different offices?

2d. Has any rate of exchange or tariff been established by the board of directors, or communicated by you to any of the offices of discount, regulating the price for which drafts should be sold? Produce any such regulation or communication.

3d. Were you, on the 28th day of August, 1818, apprized of the resolutions of the directors of that date, by which the notes of the bank were to be received and paid only at the offices where they were made payable? And did you, or did you not, pay out of the bank notes of the offices, after you were apprized of the said resolutions?

4th. Did you know, or had you reason to believe, at any time before the 28th of August, 1818, that such resolutions as are referred to in the last question would be adopted? And, if so, did you, or did you not, after such knowledge, pay out of the bank its notes which were payable at other places?

5th. What notes were thus paid out? Describe them, generally.

6th. State, generally, the distribution of the notes of the bank among its offices, and refer to the books of the bank containing an account of the distribution.

7th. Were the resolutions adopted on the 28th of August, 1818, above referred to, immediately made public?

Fourth general head.—The trust stock.

1st. You appear, from the dividend books, to hold eleven shares of the stock of the bank, in trust; for whom are you trustee?

2d. Do you hold any other shares in trust? if so, for whom?

3d. Has any part of the stock thus held by you, in trust, been pledged in security for any notes discounted at the bank? If so, by whom, and what amount by each person?

4th. Do you know of any other stock being held in trust for others? If so, state the name of the trustee, and the persons for whose benefit it is held.

General inquiries.

1st. Has any of the funded debt of the United States, or stock of the Bank of the United States, pledged in security for discounts, been sold under the authority given by the owners when pledged? If so, state the same particularly.

2d. Has coin ever been sold by the bank, or any of its offices, at a premium?

3d. (Afterwards withdrawn.)

4th. Have any of the State banks, to your knowledge, dealt in the business of exchange?

5th. Have the dividends, or any of them, been paid to the delinquent stockholders?

6th. Have post notes been issued on the application of persons who have had notes discounted?

Answers of William Jones, president of the Bank of the United States, to the interrogatories put to him by the Committee of Inquiry of the House of Representatives of the United States.

BANK OF THE UNITED STATES, December 23, 1818.

To the interrogatories put by the committee of the House of Representatives of the United States to William Jones, president of the Bank of the United States, he respectfully submits the following answers:

To the first: That he is unable to state the total amount which the president and cashier were authorized to loan exclusively upon the deposite of the stock of the United States, or the stock of the Bank of the United States, in conformity to the resolution of the board of the 8th of August, 1817, but that those discounts were continued under the sanction of the board, from time to time, during the intervals between the discount days, until about the 9th of September following.

To the second: That he knows of no other written account than the entries on the common discount books, in the ordinary manner of other loans or discounts, which books were regularly submitted to the examination and correction of the board of directors each discount day; that he is unable at this time to distinguish the loans made between the discount days and those done at the board, because there are frequent verbal or loosely written applications made during the sittings of the board; when these are done, they are subsequently entered in the discount books, and have not the usual distinguishing mark (a) of those which are previously entered and discounted.

To the third: That discounts on the pledge of stock, as well the renewals which fell due between the discount days as those of new applicants, were specially directed by the board, from the 9th to the 30th of September, 1817, when the board "*Resolved*, That the president and cashier be authorized to discount for the renewal of such notes as may become due between discount days, on stock, until otherwise directed;" in conformity to which, the notes therein described were renewed by the board, or by the president and cashier, as they became due, entered in the stock discount book, and reported every discount day to the board of directors; that he is unable to designate the persons to whom the renewed loans were granted, as it has been the practice of the board to renew the loans on the pledge and security of the stock, at the par value, without regard to the payer of the note, who may in the interim have sold the whole, or any part of the stock, subject to the redemption of the pledge; that, from the nature and duties of his office, he is less familiar with the details of the bank, and less qualified to give the desired explanations, than those who make the entries, with a knowledge of the particular circumstances of each case. He is, however, perfectly satisfied that no discount has at any time been entered upon the discount book without the sanction of the board of directors.

There are a variety of circumstances susceptible of explanation, from the stock discount book itself, to show that the letter (a) usually annexed to each accepted note is but a partial criterion in that book to designate the actual discounts finally sanctioned by the board. The fact is, that the stock loans have been uniformly considered by the directors as a substitute, in part, for that portion of the capital of the bank which, according to the terms of the charter, and the reasonable expectations of the stockholders, was to have constituted four-fifths of the whole; and it is in this view that they have been continued in the manner and form which has been exhibited to the committee.

To the fourth: He believes that loans thus made or renewed are yet unpaid, with the particulars of which he is unacquainted, but of which, he presumes, the cashier can furnish a statement.

To the fifth: No part of the amount so authorized to be employed was placed to the credit of the president and cashier, or either of them, on the books of the bank. The discounts were done in the usual manner, and the proceeds of the notes passed to the credit of the discounters, and applied to the payment of their notes then due.

To the sixth: He has no knowledge of the existence of a similar regulation at any of the branches; no authority has been given by the parent board to the directors of any of the offices to make a similar appropriation.

To the seventh: The notes discounted expressed the only agreement or understanding, respecting the time of payment, between the discounter and the president and cashier.

To the eighth: That the reasons which induced the resolution of the board were, the sudden redemption by the Government of upwards of eleven millions of dollars, and its claim to redeem two millions more of the funded debt part of the capital of the bank, by drafts on the funds, to the credit of the Treasury, on the books of the bank, which had principally arisen out of the balances transferred from the State banks in the middle States, and of their notes subsequently received on account of the revenue; the impossibility of converting which into specie was a matter of public notoriety, and no less so of placing it in the eastern branches, even at great loss, because it would have been absorbed by the debts due to the eastern section of the Union, and rendered fruitless as a fund for the capital of the eastern branches, as the bank was at that time engaged in the Herculean task of equalizing the exchange between Boston and the intermediate places to Richmond, including as well the exchange required by individuals, as that which the State banks within the sphere of these operations availed themselves of to liquidate their balances, respectively; that the directors deemed it expedient to employ these funds, where they were current, for the benefit of the institution, upon indubitable security, and as a substitute, in part, for the funded debt portion of the capital of the bank redeemed by the Government, for which they had received in payment the debts and notes of State banks, instead of gold and silver; that the loans were general, without regard to person, place, or amount, and impartially made to all who applied, either on the security of the funded debt of the United States, or the stock of this bank, because these loans were not considered in the light of discounts on mere personal security, which the board did not deem it prudent materially to extend in the cities where the stock loans have been principally made, but looked to an equitable distribution of the capital of the bank, as soon as the state of the currency, the course of exchange, and the circumstances of the institution would admit; that, in respect to the authority or direction to the president and cashier to discount, to the extent limited, such notes as might be offered, with a pledge of stock, between discount days, at the rates which had been prescribed by the board, and subsequently to renew notes which had been discounted on a similar pledge, as they became due between discount days, and to report these transactions to the board from time to time, the motive was, the prompt employment of the disposable fund above mentioned, and that the duties and trust assigned to the president and cashier, in relation to these discounts and renewals, were considered by the board as mere ministerial acts, involving no discretion on their part, or derogation from the duties specially enjoined upon the board by the charter, and the rules and by-laws of the corporation. The president and cashier had not the control of a single dollar thus appropriated; the manner in which the discounts were to be done, the nature and extent of the credit and security, and of the sums thus employed, were decided upon by the board, executed according to its order, entered in the discount book, and reported to the board on each discount day; where, if any errors appeared, they were corrected, or explained to the satisfaction of the board. In fine, for all the purposes of the trust, it might as well have been executed by the discount clerk as the president and cashier, who have never been authorized to discount a single negotiable note on the personal credit of the parties, however small the amount, because it would involve the essential princi-

ple of security to the institution, which must depend upon the solidity of the parties, of which the board alone is competent to decide.

To the ninth: He does not know of a similar power having been given to any other bank. He has heard of the exercise of similar powers by the officers of the old Bank of the United States, which, if true to any extent, he has no doubt was by the authority of the directors of that bank.

Second general head.

The committee having permitted him to refer to and adopt the answers of the cashier, where they accord with his own knowledge or belief, he has examined them, and adopts the cashier's answers to the first and second interrogatories under this head; and also the third, as far as it goes; but adds, that the board has endeavored, by such means as it could employ short of coercion, to effect the reductions of the loans made to large stockholders, since the circumstances of the bank required the curtailment of its discounts, and has effected very considerable reduction in that way: the office at Charleston (where a considerable amount of the stock of the bank has recently been published) has, however, increased its loans on stock upwards of \$600,000 within the last six months. The board called upon all the State banks which had obtained loans on stock to pay up; they have made partial payments, accompanied with remonstrances and solicitations for further indulgence, which has been granted.

To the fourth: That the only understanding between the directors and officers of the bank, and the discounters on pledged stock, after the 20th July, was the engagement expressed in the notes which were discounted.

To the fifth: He adopts the answer of the cashier.

To the sixth, seventh, and eighth: That discounts upon pledged stock have only been made upon the sums actually paid in on each share; that discounts have been made to stockholders upon pledged stock, simultaneously with the payment of the second instalment, but not before; which, until the general resumption of specie payments, were limited to ten dollars on each share, upon which the second instalment was to be paid, secured by a pledge of stock equal to the amount borrowed, estimating the pledge at sixty-five dollars per share. He has also seen the answer of the cashier to these questions, and perfectly accords with the explanations he has given, which are corroborated by the book of original entry.

To the ninth: That, as far as his opportunities of ascertaining the opinion of the public, and those of the subscribers to the bank, in regard to the payment of the second instalment, extended, it appeared to him to be the general impression that payment would be required in coin and in funded debt, but that a very small portion of the instalment would be paid, in consequence of the premium on specie, the inability of the bank to coerce payment, and the prospect of the first dividend being less than the legal interest of money. This sentiment appeared to prevail among many of the large stockholders, some of whom, notwithstanding the facilities given by the bank, did not pay their instalments until the approach of the dividend; and, until the State banks resumed specie payments, on the 20th February following, there was an aversion to the stipulation in the notes discounted by the Bank of the United States, on the pledge of stock, as it bound the stock for the payment of the note in specie, for which the borrower might have to pay a high premium, unless specie payments should be generally resumed; that the reasons for granting the facilities to the punctual payment of the second instalment, which the resolution of the board on December 18, 1816, afforded, were, a perfect conviction on the part of the board that, without these facilities, a very small portion of that instalment would be paid while the coin in the vaults of the State banks was withheld from circulation, and that in the market bore a high premium; that with only the specie part of the first instalment, diffused throughout the United States, in the twenty places of subscription, the operations of the bank would be wholly inadequate to the relief of the community; the renovation of the currency; the indispensable accommodation to the State banks in their efforts to resume specie payments, by the substitution of the circulation of the bills of the Bank of the United States, and particularly the urgent solicitude for the early and efficient operations of the Bank of the United States, expressed in the letter of the Secretary of the Treasury, on August 15, 1816, to the commissioners for receiving subscriptions to the bank in Philadelphia; in that of November 29, 1816, to the directors of the Bank of the United States; and that of December 2, 1816, to the same, prior to the commencement of its operations, asking a loan of \$500,000, to pay the dividends on the public debt in the State of Massachusetts, stating that the Government had no alternative but the issue of Treasury notes for that purpose, bearing an interest of seven per cent.

To the tenth: That he has no knowledge of any means adopted by the board to cause it to be generally known that the notes of stockholders would be received in payment of any part of the second instalment. The resolution of the board on the 18th December was immediately communicated to the offices at Boston, New York, and Baltimore, respectively, which were the only offices then organized; and the circular to the commissioners for receiving the second instalment gave the subscribers to the bank the option of paying at the place of subscription, or at the bank in Philadelphia, where their agents could, and he has no doubt did, avail themselves of the advantages of resident subscribers. While the directors deemed it their indispensable duty to hold out inducements to punctuality, to those whom it was believed would otherwise be defaulters upon a scale extremely injurious to the bank and the public, it was not deemed expedient to invite the substitution of their facilities for the coin which subscribers might have already prepared to pay the second instalment.

Third general head.

To the first interrogatory, he answers: That the board of directors did adopt, on the 18th of July, 1817, certain regulations for conducting the exchange operations of the bank, which were printed in a pamphlet form; a copy of which has been laid before the committee. These regulations, however, have not been communicated to the offices, or carried into effect. The irregularities in the currency; the delinquency of debtor banks; the paucity of coin, compared with the excessive circulation of bank paper; the enhanced price of the precious metals in foreign countries, and consequent high premium in our own; the extraordinary demand for silver coin for exportation; the incessant current of exchange towards the eastern section of the Union, and the heavy payments of the bank for the expenditures of the Government in that quarter; and the redemption of the public debt, particularly that portion which was held by foreigners, have baffled all the attempts of the board to equalize and regulate its operations upon any settled system. The exchange operations of the bank have, therefore, been temporary and fluctuating, according to the state of the currency, and the fidelity of State banks in the actual (not ostensible) payment of their debts in specie. The bank did maintain an absolute equality in the exchanges between the cities from Boston to Richmond, inclusive, from the 20th February, 1817, (when the banks of the Middle States resumed specie payment,) to the 19th March, 1818, when the office at Boston suspended the receipt and payment of the notes of the bank and its other offices; and this not only for the Government, which it is bound to do every where, but actually sustained the burden of liquidating the debts between those places, whether arising from State bank balances with each other, or those

of individuals, including an immense supply of specie for the Asiatic trade. From the date last mentioned, until the 28th of August last, (when it was found utterly impracticable to continue the system any longer, without extreme hazard to the institution,) every effort was made to sustain the system between all the cities from New York to Richmond, inclusive, where the bank and its offices continued to receive and pay in specie the notes of the corporation, without discrimination.

Since the 28th of August last, the bank has limited the extent of its exchange operations, according to the demands and circumstances of the institution, always confining the premium (where any has been charged) within the actual expense and risk attending the transportation of specie from the place where the exchange was drawn to that at which it was payable. In the exchange operations between the western offices, and the bank and its eastern offices, the bank has never been remunerated upon the scale just mentioned; they have drawn either at a trifling premium of a half per cent., or at par, for which they have received the paper of banks which claim the privilege of paying according to their convenience. There are occasional partial instructions to the western offices on this subject, from time to time, in the correspondence of the president of the bank, the principal object of which has been to extend the circulation of the bills of the bank in that quarter, by moderating or extinguishing the premium; but the state of the western currency has frustrated the efforts of the bank. He begs leave to refer to his letter of the 4th October, 1817, to the office at Lexington, (page 321,) and the circular to the offices at Louisville, Cincinnati, and Chillicothe, November 8, 1817.*

The exchange operations of the offices in the Southern States have been conducted according to the discretion of their boards of directors, respectively, always, as he believes, within the actual current rate of exchange, and with a view to the expense and risk attending the transportation of specie, as the general criterion.

The bank has conducted its exchange operations upon the same principles.

To the second: That his answer to the first includes his reply to this interrogatory.

The third, fourth, fifth, and sixth interrogatories, are marked by the committee as applicable only to the cashier.

To the seventh: That the resolutions adopted by the board on the 28th August, 1818, were immediately made public.

Fourth general head.

The first interrogatory is marked by the committee, "not applicable to Mr. Jones."

To the second and third: That he does not hold any stock in trust.

To the fourth: That Messrs. Thomas Wilson & Co., of London, hold in trust, as he has understood and believes, 1,000 shares of the stock of this bank, for Jonathan Smith, which is pledged for the payment of a loan obtained of them by Mr. Smith; that the cashier of this bank holds in trust 10,000 shares of the stock of this bank, in the manner represented in the letters of the president of the bank to Messrs. Baring, Brothers, & Co. under date of the 3d March and 4th June, 1818.

He knows of no other stock held in trust for others.

General inquiries.

To the first interrogatory: That he has no knowledge of any of the funded debt of the United States, or stock of the Bank of the United States, pledged in security for discounts, having been sold under the authority given by the owners when pledged.

To the second: That a small amount in Spanish dollars was sold at a premium by the office at Boston. The practice was forbidden as soon as the fact was known; and for the reasons upon which the prohibition was founded, he refers to the preamble and resolution on the minutes of the board, 28th November, 1817.

He has an imperfect recollection of a similar case having occurred at the office at New York.

To the third: That, upon the principle which had been adopted by the board, of calling upon the banks which had obtained loans upon pledged stock to pay their obligations for the same as they became due, notice was ordered to be given to Mr. Girard that the note of J. H. Roberjot, referred to in the resolution, should be reduced \$140,000.

Mr. Girard had transferred to Mr. Roberjot a large amount of stock of the Bank of the United States, which the board (knowing him to be the clerk of Mr. Girard) was induced to believe had not in reality changed hands, and, as Mr. Girard's bank had, in all respects, been recognised by the Bank of the United States, and had, at that time, a large balance against the bank, the reduction of Mr. Roberjot's note was required. The note of Mr. Roberjot, referred to in the resolution, was for \$240,000, payable to the cashier of the Bank of the United States, secured by a pledge of stock of the Bank of the United States, at the par value.

To the fourth: That he believes it to be the general practice of the State banks to deal in exchange whenever they can operate to advantage; and he believes the purchase of bills, payable in the cities on the seaboard, to be one of the principal sources of profit to the banks in the Western country.

To the fifth: That he believes dividends, to a very small amount, have been paid to two or three delinquent stockholders, under peculiar circumstances; for the particulars of which he begs leave to refer to the cashier.

Further questions to Mr. Jones.

1st. Did the *directors* pay their proportion of coin on the second instalment?

2d. What was your original subscription to the stock?

3d. Were any shares subscribed for you by others, with or without your knowledge?

4th. Have you sold out shares held in your name, or held by others for you? when, and at what price? and what do you now own? What is the total amount of shares you have owned since the organization of the bank?

5th. Have the directors sold out at prices beyond \$130 per share, and when?

6th. Have directors purchased at a price beyond \$130 per share, and when?

To the "further questions," he answers—

To the first: That the directors paid their proportion of coin on the second instalment, either in coin, or in the notes of or checks on the Bank of the United States, which were equivalent to coin, as with either they could have drawn the coin from the bank to pay the instalment.

To the fifth: That he does not know at what prices directors may have sold their bank shares.

To the sixth: That he believes directors have purchased shares at various prices, above \$130 per share. He has also understood that Mr. Williams purchased largely, at \$150 per share, and upwards. He has also understood that Mr. Savage purchased at more than \$150 per share.

*Letter 8th of November not among the papers.

To the second, third, and fourth "further questions," which relate to his private lawful concerns, unconnected with his official duties, he answers:

To the second: That he did not subscribe in his own name to the capital of the Bank of the United States.

To the third: That a friend, Samuel Clarke, of this city, subscribed and paid for twenty shares for his use, and that he had no other interest, directly or indirectly, in the capital stock subscribed to the Bank of the United States.

To the fourth: That on the 24th September, 1817, McEuen, Hale, & Davidson bought by his order 100 shares of Bank United States stock, at \$148 per share; that on the 7th October, 1817, he bought of McEuen, Hale, & Davidson 985 shares Bank United States stock, at \$153 per share, payable and deliverable on or before the 15th December following; that McEuen, Hale, & Davidson bought by his order, on the 1st January, 1818, 470 shares Bank United States stock, at \$153 per share; that he returned to Samuel Clarke twenty shares, in lieu of the twenty shares capital subscribed and paid for for his use; that he has placed in London 1,070 shares, transferred to Thomas Wilson & Co., as a pledge for the payment of £33,333 6s. 8d. sterling, advanced to him on the pledge of the said shares, which are now his property, the sale of which remains limited at £34 per share; and that in the month of July last, McEuen, Hale, & Davidson sold for him 370 shares, at \$139 to \$140 per share; that in August last he sold to William Young, at one time, 40 shares, at \$140 per share; that he has sold about 10 shares, from time to time, at prices which he does not now recollect; and that he holds now, in his own name, 65 shares. He also contracted to buy United States Bank stock, and sold the same before the day of payment and delivery, *viz.*

In the early part of the summer of 1817 he bought of George Williams the transfer of his right in a contract for one thousand shares of United States Bank stock, which a committee of the Commercial Bank of Pennsylvania had contracted to deliver to him on the 2d day of January, 1818, at \$132 per share; and a short time after, a contract made by S. and J. Nevins & Co. to deliver one thousand shares in the month of November following, at \$135 per share, payable on delivery; early in the month of September following he sold both these contracts, at \$150 per share, to Dennis A. Smith; and these transactions exhibit the entire disposition of all the stock in which he has had any concern. He has not examined his account in the stock ledger; there may have been half a dozen shares, more or less, lent and returned, of which he has no distinct recollection.

Mr. Jones's second examination.

On the subject of a resolution respecting the discounts on pledged stock at Boston, he observed, that, from the information of Mr. Lloyd, one of the directors at the time, that the amount subscribed at Boston was small, and that the banks there were paying specie, the board thought it would be but to qualify the original resolution allowing a discretion to the directors, and that thus a larger amount of specie would be obtained than if the resolution were absolute. On the subject of the discounts on pledged stock, he observed, that the board did not believe that good business paper could be obtained at the time, and that it was his own belief; and they conceived the stock discounts the best; and it was deemed inexpedient to have gone much further in Philadelphia and Baltimore on personal security. Good paper might have been obtained in New York and Boston, but the funds of the bank were not such as could be appropriated in those places; and the funds were secured with a view to the subsequent appointment of branches, and the distribution of the capital. The public debt redeemed by the Treasury was paid by drafts of the Treasury upon its deposits in the bank, which deposits had been principally received from the State banks. Mr. Jones was asked what was the amount of disposable funds which the directors could have employed on the 8th August, 1817? To which he answered, that the board supposed there were several millions; he cannot give an account of the precise amount; no statement was made to the board. Mr. Jones was asked whether the discounts made by the president and cashier were applied to the payment of the second and third instalments? He cannot answer; and he cannot designate those discounts from the others in the discount book. Mr. Jones was asked whether the branch at Charleston had purchased notes of State banks, in conformity to the opinion expressed in his letter of April 18, 1818? He does not know whether the opinions expressed in his letter to Charleston branch, referred to, have been adopted and acted upon, or not. Those remarks, in reference to the purchase of North Carolina and other notes, were an expression of the opinion of the board, to whom he read the letter. Mr. Jones reads an extract from a letter to the Secretary of the Treasury, in which he states the price of specie on the 6th January, 1817, was at 8 per cent. and rising, and believes that it would rise to 20 per cent. And he observes, that he is not the borrower of a dollar from the bank, either directly or indirectly, and is not responsible to the bank for a single dollar, either as drawer, discounter, or endorser.

Answer of Jonathan Smith, cashier of the Bank of the United States, to the interrogatories of the Committee of the House of Representatives of the United States.

To the first question, he answers: That it is not in his power to state the amount; but, referring to the discount books, it appears that from the 8th of August, 1817, to the 9th of September following, the time when the authority to the president and cashier ceased, the amount of loans made on stock by the president and cashier, between each discount day, and those made by the board on discount days, averages \$382,749 63 per discount day.

To the second, he answers: That the proceeds of loans made under the authority of the board, by the president and cashier, have, in no instance, been drawn for by them, or either of them; the notes of the individuals who obtained these loans were entered on the discount books in the usual manner, and the proceeds placed to the credit of the respective accounts, as will appear from the discount books laid before the board each discount day; but the notes discounted by the president and cashier are not distinguished on the books from those discounted by the board.

To the third, he answers: That in consequence of the authority to the president and cashier having ceased, at their request, the resolution referred to was passed to obviate the difficulties that might arise to those who had notes to be renewed before the next meeting of the board. The authority was, however, again given by a resolution of the board of the 30th of September, 1817, to the president and cashier, to discount for the renewal of such notes as might become due between discount days, on stock, until otherwise directed. He cannot distinguish those renewed by the board from those renewed by the president and cashier. The letter (*a*) being marked on the discount book is evidence that the note opposite to which it is written has been accepted by the board, but its omission is not evidence that the note was discounted without the sanction of the board; in no instance has a note been put upon the books and discounted without the consent of the board, either to the particular note, or by the resolutions of the board. All the notes without the mark (*a*) have been discounted by the board, either by giving their consent to the particular note, or by resolutions previously adopted; and the omission of the mark is owing to the circumstance that the notes were not entered on the discount book previous to its being laid before the

board, which was occasioned by there having been verbal applications for discounts by the directors, for themselves and others, by applications having been made by letter, and by notes being sent to the directors after they were in session. There were notes entered as discounted on days which the board did not meet; they were done under previous directions of the board; these directions were in virtue of the resolutions before alluded to, or consisted in the letter (a) being marked on the application by the president; in some cases the directions were verbal.

To the fourth, he offers as an answer statement marked A.*

To the fifth, he offers as an answer that given to the third.

To the sixth, he answers: That he has no knowledge of such a practice at any of the offices, and does not recollect that the board gave them authority for it.

To the seventh, he answers: That the time for which loans are made at the bank depends on its situation; and that at the periods referred to the president and cashier observed the practice of the board as to the time when notes offered became payable. The general rule of the bank is to decline an agreement as to the renewal of notes; and there has not, to his knowledge, an understanding existed, in the case referred to, contrary to this rule.

To the eighth, he answers: That, upon referring to the preamble to the resolutions passed on the 8th of August, 1817, it will be found that the board was desirous that the discounts should be kept up to the amount of the income, or that it might be expedient to extend them. In consequence of the greater portion of the funded debt held by the bank having been recently redeemed, it was thought desirable that the surplus capital thus thrown upon it should be profitably employed; and it was deemed to be a convenience to the discounters to have their notes renewed on the day they became due, particularly to those who did not reside in Philadelphia. There was no instance of a loan being refused on stock, from the 8th of August to the 9th of September, 1817.

To the ninth, he answers: That he does not know of a similar power having been given by any board.

Second general head.

To the first question, he offers as an answer statement marked B,* made by one of the discount clerks.

To the second, he answers: That there has no such understanding been had, to his knowledge; and that, having no authority for the purpose, he has never given such intimation.

To the third, he answers: That there was no such understanding, to his knowledge, previous to the period alluded to; but that in the curtailment of discounts since that period, the board has preferred calling upon payers of notes without a pledge of stock for partial payments.

To the fourth, he offers as a reply his answer to the third; generally, he has not known of such understanding, or of any expectation of the kind, having been authorized by any act of the board.

To the fifth, he answers: That all notes discounted at the bank, whether on pledged stock or otherwise, are entered on the discount books, and their nett proceeds passed to the credit of the discounters in their accounts current, subject to their control solely.

To the sixth, seventh, and eighth, he answers: That, by a resolution of the 18th of December, 1816, the board resolved, that on the 31st of that month they would proceed to discount on the pledge of stock, to any extent not exceeding one-tenth of the amount of the subscription to the capital of the bank; that no loans, to his knowledge, were made, in pursuance of said resolution, on pledges of stock, until the first and second instalments were paid in; the discount of a note on pledged stock, and the payment of the instalment, were considered simultaneous; discounts were never made on the nominal amount of shares until all the instalments upon them had been paid up; loans on pledged stock, to aid in payment of the second instalment previous to the 20th February, 1817, (when specie payments were resumed,) were applied exclusively to pay the specie portion of the instalment; and in all such cases the funded debt portion was received. The bank stock thus pledged was taken at the rate of sixty-five dollars per share.

To the ninth, he answers: That he has no recollection what the public opinion was on the subject; and that, his time being engrossed with details preparatory to the commencement of the operations of the bank, he did not pay particular attention to it; his general impression is, that it was deemed important to the bank that the second instalment of coin and funded debts should be paid. But, at the same time, he was convinced that at the period prescribed by the charter for the payment of this instalment, but a small portion of it would be paid in coin and funded debt, as both were then so much above par as to induce the stockholders to risk the forfeiture of their first dividend, at least, rather than purchase them. He also states that such discounts as may have been applied by stockholders to the payment of their second instalment positively insured the payment of a certain sum in legal currency on a given day into the bank, if required; because it held their promissory notes and stock as a pledge on which the first and second instalments had been paid. [See form of engagement, herewith delivered, page 336.]

To the tenth, he answers: That he has no knowledge of any measures having been taken to cause it to be known that the notes of stockholders, with stock pledged for their payment, would be discounted for the purpose of paying their second instalment, or any part thereof, but believes that the discounts made at the several offices on the pledge of stock were made by virtue of the resolution of the board of the 18th of December, 1816, or of the fifteenth article of the rules and regulations for the government of the offices, (copies of which have been delivered to the committee.) By the circular of the president of this bank, dated the 5th of November, 1816, it was left to the option of the stockholders to pay the second instalments at the original place of subscription, or at the bank in Philadelphia.

Third general head.

To the first question, he answers: That in October and November, 1817, authority was given to the western offices to furnish drafts on the bank and its offices at a very low premium, or even at par, to prevent the notes of those offices from returning to the bank as remittances; there was also authority given in December of the same year, to the offices at Savannah, Charleston, Norfolk, and Richmond, to purchase bills; since which a committee of the directors was appointed to prepare regulations on the subject of exchange, (a copy of which has been handed to the committee,) which were reported to the board and adopted. Although the board has not directed them to be put into operation in detail, yet he considers their adoption as authority for doing exchange business in the manner now practised.

To the second, he answers: That there has not been a tariff established or communicated for that purpose; and that no general or permanent regulations have been made, although there has been some correspondence on the subject with some of the offices.

To the third, he answers: That on the day of its adoption he was apprized of the resolution, and made it known to the first and second tellers immediately: if either of them paid out any notes of the offices after the 28th, they acted contrary to his orders; to his knowledge, none were paid out after that day, unless such as were asked for as a favor. On the evening of the 28th, he addressed a letter to the cashiers of the banks in the city and Northern

*Not among the papers.

Liberties, (a copy of which is handed to the committee.) On the next morning, the notes made payable at the offices, which were received by these banks on the 28th, were received from them; all others were refused payment or acceptance, unless for duties to the Government, except such parcels as it appeared had been previously paid out at the bank, or such as were received from travellers for their accommodation, under the direction of the board in their case, which continues to be observed. The board, when there is no special business before them, generally adjourn about half after one o'clock, P. M.; when there is, they sit to a later hour. He does not recollect how long they sat on the 28th. It was understood by him that no change in the payment or receipt of notes was to be made on the 28th, but that it was to commence on the 29th of August, 1818.

To the fourth, he answers: That, from the commencement of the operations of the bank, this subject had been matter of conversation with the directors, and that it had been frequently asserted by some that the bank could not continue to pay its notes at any place except that where payment was promised on their face. When the committee on the state of the bank, who recommended the measure, were appointed, he did not know that the subject would be considered by them. No alteration, however, was made in the conduct of the bank, under any expectation that might have been entertained that the measure would be adopted. It was not originally intended that any notes should be paid out of the bank or its offices, excepting those which were made payable at each, respectively; a practice contrary to this intention became necessary, from the circumstance of inability in the proper officers to sign a sufficient quantity to meet the demand at the bank and its offices.

For an answer to the fifth, he refers to the teller.

To the sixth, he answers: That statement marked C,* herewith exhibited, taken from the general ledgers, viz: No. 1, pages 501, 513, and 522, and No. 2, pages 564, 568, and 572, will show the original distribution of the bank and post notes issued. Notes of the offices received at the bank, and returned to them, have been charged to their respective accounts in the general ledger. In no instance have the notes of one office been sent by the bank to another office for circulation, to his knowledge. In one instance, the office at Washington was supplied with the notes of the parent bank, to accommodate persons connected with the Government.

To the seventh, he answers: That no step was taken by him to make the resolution public in any other way than by communicating it to the cashiers of the offices, and of banks in the city of Philadelphia and Northern Liberties. His circular on the subject was published in one of the Philadelphia newspapers, on the 29th or 30th of August.

Fourth general head.

To the first question, he answers: That there are thirteen thousand seven hundred and twenty-nine shares of stock of the Bank of the United States, standing in his name, in trust, as collateral security for the payment of \$1,362,850 dollars; he refers the committee to statement marked D.

To the second, he answers: That there are ten thousand shares of stock of the Bank of the United States standing in the name of the cashier thereof; for an explanation of this transaction, he refers to the letter of the president of the bank to Messrs. Baring, Brothers, & Co., dated March 3, 1818, a copy of which is herewith delivered. The bill of exchange alluded to in that letter was purchased at three-fourths per cent. advance; and the same having since been paid, the ten thousand shares are released from the lien which the bank had on them; the stock was pledged in Baltimore.

His answer to the first question, he offers as a reply to the third. To the fourth, he answers: That it is usual for stock to be transferred in trust, and no doubt there are other instances of the kind on the stock books; but he is unacquainted with the nature of the trusts in any of them, except those referred to in his answers to the first and second questions, and except in his own case. He has transferred one thousand shares to Thomas Wilson & Co., of London, on which he has obtained a loan, and understands that the president of the bank has made a similar arrangement, for a like number of shares, with the same house. The shares pledged by him cost him more than \$150 per share, and are all he holds in his private capacity, directly or indirectly. He believes that the shares held by the president did not cost less than \$150 per share. He further states, that he has no discounts at the bank or its offices, directly or indirectly, except the sum of \$18,000.

General inquiries.

To the first, he answers in the negative.

To the second, he answers: That there has been no authority given by the board for selling coin, and none has been sold at this bank; but some sales have taken place at the offices at New York, Boston, and Portsmouth, without the knowledge or consent of the board; the practice is not countenanced, and has been forbidden at Boston, and he believes it is now generally understood at the offices that the practice is inadmissible.

To the third, he answers: That on the 10th of December, 1816, Stephen Girard transferred to J. H. Roberjot, his clerk, seventeen thousand four hundred and seventy-two shares of the stock in the Bank of the United States, on a pledge of part of which he (Mr. Roberjot) obtained loans from the bank to a considerable amount; this stock, notwithstanding the transfer, was considered by the directors as still the property of Mr. Girard; and as he was carrying on banking operations in the usual way, the directors thought it right to call on him for payment at the time they were calling on other banks.

Reply to the fourth question.

He understands that the Schuylkill Bank deals in inland exchange.

To the fifth question, he answers: That when a stockholder came forward to pay his instalment, after the regular period, but before any dividend was declared, interest at the rate of six per cent. per annum was paid by him on the amount of his second instalment, from the 1st of January, 1817, to the time of his paying up. If he came to pay the second instalment after a dividend was declared, viz: 7th July, 1817, the first dividend was considered as forfeited, and interest on his instalments was paid from the 1st July, 1817, to the time of his paying up.

To the sixth, he answers: That the following instances only have occurred of stockholders receiving amount of dividend No. 2 on their shares, which dividend accrued prior to the time of their paying up the third instalment, viz:

Stockholders.	Shares.	Dividend No. 2.	When paid.	When third instal- ment paid.
Samuel Archer, Philadelphia, -	250	\$1,000	April 22, 1818,	April 22, 1818.
John Dowers, Philadelphia, -	100	400	April 8, 1818,	Feb. 19, 1818.
Eliz. Van Trump, Philadelphia, -	5	20	Aug. 29, 1818,	Feb. 21, 1818.
Silas E. Burrows, Connecticut, -	10	40	June 11, 1818,	March 20, 1818.

* Not among the papers.

Post notes.

Post notes at sixty days' date have frequently been issued on the application of persons who have had notes discounted without any allowance of interest, but it has never been the condition of the discount. The discount and the issuing of post notes are considered as distinct transactions. Soon after the commencement of the operations of the bank, post notes were directed to be issued on application, at sixty days, to be paid for out of the proceeds of discounts, if required. The reason for fixing the time at sixty days was to prevent their being used to draw specie before the general resumption of specie payments; the operation was intended for the accommodation of those who wished to use them in the purchase of produce to the South and West. The president and cashier issue post notes when demanded, as they would bank notes, under the general authority of the board. No post notes at a longer date have been issued.

D.

The Cashier of the Bank of the United States, in trust.

10	shares pledged for Peter Care, Jr's. note,	-	-	-	-	-	\$850
154	shares pledged for John Savage's note,	-	-	-	-	-	15,500
500	shares pledged for Savage & Dugan's note,	-	-	-	-	-	50,000
300	shares pledged for H. & S. White's note,	-	-	-	-	-	30,000
300	shares pledged for H. & S. White's note,	-	-	-	-	-	30,000
465	shares pledged for Wm. J. Bell & Co.'s note,	-	-	-	-	-	46,500
500	shares pledged for R. Higinbothom's note,	-	-	-	-	-	50,000
1,000	shares pledged for { S. Smith & Buchanan's note, endorsed by George Williams and J. W. McCulloch,	-	-	-	-	-	125,000
350		-	-	-	-	-	
4,000	shares pledged for Richard M. Johnson's note,	-	-	-	-	-	400,000
3,650	shares pledged for George Williams's note,	-	-	-	-	-	365,000
2,500	shares pledged for James W. McCulloch's note,	-	-	-	-	-	250,000
<u>13,729</u>	<u>shares.</u>						<u>\$1,362,850</u>

Copy of Circular to City banks.

SIR:

BANK OF THE UNITED STATES, August 28, 1818.

I am directed to inform you that the notes of this bank which are made payable at its several offices of discount and deposite will not be received at this bank after this day, except in payment of debts due to the United States. Such notes, however, of the offices as your bank may have received during this day, will be received in exchange to-morrow morning.

I am, with much respect, sir, your obedient servant,

JONA. SMITH, *Cashier.*

— — —, Esq., *Cashier of the bank of — — —.*

Mr. Jonathan Smith's second examination, in continuation of that previously taken.

His stock pledged in London, referred to in his former examination, was pledged at one hundred and fifty dollars per share.

There are no means of ascertaining what amount of disposable funds there were on the 8th of August, 1817, which could have been employed.

The post notes delivered to R. M. Johnson, referred to in his former examination, were payable at this bank.

Answer to some of the questions which were put to directors.

11th. Mr. Goddard sold out stock; when, or to what amount, he knows not now. The president sold to pay an East India debt.

12th. Mr. Savage purchased largely, he thinks, at \$152. The president made a contract with Mr. Hunt, through McEuen, for the purchase of stock.

13th. There were a great many contracts made in the early part of the year 1817; he has understood that large contracts had been made by Mr. George Williams. He has some indistinct recollection of a contract made by him with the Bank of North America, to the amount of \$100,000, or more; he thinks it was something in which D. A. Smith was concerned.

There was a great deal of that business carried on by D. A. Smith, and probably by George Williams; he never had any personal knowledge of such contracts.

D. A. Smith had made a contract in New York for the purchase of stock; when his difficulties came on, and the contract had expired, he bought 1,000 shares, part of the contract, and they were delivered immediately.

He has purchased and sold a good deal of stock at different times. He was at one time a gainer, perhaps, \$50,000; but he has purchased stock at a higher rate than he ever sold; and, upon the whole, he believes he has been a loser. He was requested by Governor Findlay to subscribe 100 shares for him, and he requested McEuen to subscribe, who did so. In November or December, 1816, he made a contract with D. A. Smith for the sale of 1,000 shares, deliverable in January, 1818. He gave credit for the same time, at twenty dollars advance on each share; he does not recollect whether the stock was actually transferred, or whether he paid the difference, but thinks the latter was the case; stock had risen to at least \$150. This is the only contract he ever made. He purchased a contract of Biddle & Wharton, brokers, some time in 1817, of 250 shares, he thinks; but can state no further particulars. He bought of Mr. W. Smith a contract for 250 shares, he thinks, but does not know the rate; and had no other contracts.

16th. He knows nothing more about it, than appears from the resolution of the 30th September, 1817.

19th. They have preferred such renewals; and he thinks they would have preferred a discount on stock to a discount on good business paper, or bills of exchange.

No. 53.

*Examination of directors at Philadelphia, and officers at Baltimore and Washington.**Questions to directors.*

1st. Do you know what disposition was made, by the president and cashier, of the fund put at their disposal by the board of directors?

2d. Do you know of any instances in which the president and cashier discounted original notes (not being renewals) under the authority given by the resolutions of August 8, 1817, and those subsequent to that time, on the same subject?

3d. Was any account of such discounts made by the president and cashier rendered to the board of directors?

4th. Can you designate, from the book of discounts on pledged stock, now lying before you, those made by the president and cashier from those made by the board of directors? If so, state some of them.

5th. Have you any other reason to assign for the passage of the resolution above referred to than those contained in its preamble?

6th. Do you know of any stock of the United States Bank being held by any person in trust for others? If so, name the trustee, and the person or persons for whose benefit the stock is held.

7th. Do you know of any stock having been held since the subscriptions first commenced, by any person in trust for William Jones, Esq., president, or Jonathan Smith, Esq., cashier of the bank, or for any director? If so, name the trustee, the amount of stock, and its disposal.

8th. What proportion of the specie part of the second instalment did you pay in coin upon the shares then held by you, and what proportion by the proceeds of a note or notes, discounted on pledged stock, or otherwise?

9th. What amount of stock did you subscribe for in your own name? What amount, if any, did you subscribe for as the attorney of others? And, if for any, have such shares been since transferred to you? And, if any, had you authority from the persons so to subscribe for them?

10th. What is the total amount of stock you have held?

11th. Do you know of any director of the Bank of the United States, for the present year, or for the past year, having purchased any stock? when? at what price? of whom?

12th. Do you know of any director, for the present or the last year, having sold any stock? when? at what price? to whom?

13th. Do you know of any such director, for the present or the last year, having made any contract for the sale of stock? with whom? when? at what price? when was it to be delivered? when to be paid for?

14th. Do you know of any such director, for the present or the past year, having made any contract for the purchase of stock? with whom? when? at what price? when was it to be delivered?

15th. Do you know of any such director, for the present or the past year, having purchased any contract, or any share in any contract, for the sale of any stock, or for the purchase of any stock?

16th. Was there any understanding or expectation among the directors that the notes discounted on pledged stock, previous to the 20th July, 1817, should be renewed?

17th. Was there such an understanding or expectation among the other stockholders? Was any information given to the other stockholders, by the directors, to induce such an expectation?

18th. What amount have your notes discounted on pledged stock, if you have any, been curtailed?

19th. Have the directors generally preferred the renewal of notes, for the payment of which stock or funded debt was pledged, to the renewing those on personal security? and, if so, for what reasons?

20th. Was the stock contracted to be delivered, delivered at the time agreed upon? or was it paid for according to agreement?

Thomas McEuen's examination.

Answer to the 1st question. The disposition of that fund was by loans on stock; which loans were reported to the board at the next meeting, and were entered on the offering book, and he thinks the amount done was put on a slip of paper.

2d Answer. That it was done, but cannot recollect any particular instances in which the president and cashier have made such an original discount.

3d. He has no other answer than that already given.

4th. He cannot designate them.

5th. The redemption by the Government of a large amount of debt rendered it necessary to loan. He thought that loans on personal security would be hazardous; those on stock were preferred, as accomplishing two objects—the increase of security, and the obtaining the payment of the second instalment. He does not believe that so large a proportion of the second instalment as was paid would have been, if that measure had not been adopted; and it was his opinion that, in consequence thereof, a less sum would be drawn out of the bank.

6th. It is a very common thing; he has transferred to Mr. Ralston, in trust for Mrs. Ralston and her children; he cannot specify any others. There were general transfers to the cashier, in trust, at the commencement of the loans on stock, but afterwards a power of attorney was adopted.

7th. The house of McEuen, Hale, & Davidson made a purchase in company with Mr. Jones, which was in their names, of 917 or 1,000 shares, at \$153 per share, he thinks; he does not know of any others for Mr. Jones. A contract was originally made by Dennis A. Smith with Mr. Girard, for four thousand shares, previous to the bank going into operation. It was made in the name of Mr. Roberjot, guaranteed by Mr. Girard, by which he contracted to deliver to D. A. Smith 4,000 shares previous to the second instalment; the first instalment had been paid by Mr. Girard; D. A. Smith applied to McEuen, Hale, & Davidson to complete the purchase; they obtained a loan of \$260,000 on the same stock, by which they paid for the stock and the second instalment; the third instalment was completed in the same way, by a loan of the bank of \$140,000, together making \$400,000; after the third instalment (15th June, 1818) it was transferred to Smith & Buchanan. They were paid as brokers for negotiating the transaction. The loan to pay the third instalment was made at the request of Smith & Buchanan, subsequent to the original agreement.

8th. They paid the whole of their second instalment in specie and in funded debt, without any discount, excepting a small discount of \$2,021, which he does not think was applied to the payment of the second instalment on their account, but probably was for some stockholder for whom they were agents.

9th. There were 1,000 shares originally subscribed for the benefit of the house; probably one hundred shares in the names of each one of the house; the remaining shares were subscribed in the name of a number of persons, in the proportion of from 10 to 30 shares to a name; that this was done to obtain the quantity of stock they wanted,

and not to affect the election. They subscribed as attorneys, in their own and in different persons' names, for 675 shares, besides the 1,000 before mentioned. One hundred shares for Jonathan Smith, for the benefit of Mr. Findlay, (whether Mr. Findlay, of Baltimore, or William Findlay, he does not know;) he does not recollect any others. The sums were not very large. The whole were transferred to the house, and afterwards retransferred to the parties he had authority to subscribe for. After the subscriptions were opened for the residue of the stock previously un-subscribed for, and Mr. Girard had obtained the whole, he let the house have 2,825 shares; of that number 325 belonged to the house, the residue belonging to the Philadelphia Insurance Company; 1,000 shares for D. A. Smith; others for Henry Joseph Steer, of Antwerp; and a part for his son, a part for Mr. Van Hamer, and a few over for Godfrey Hagay.

10th. Cannot answer; their transactions have been very large in buying and selling for themselves, and as brokers for others.

11th. He knows there are some who have purchased. Mr. Ralston purchased since the last dividend, not to a large amount. He cannot name any other director as having purchased, but has no doubt there are others who have bought largely on their own account. On the 7th October, 1817, they were employed as brokers to sell 985 shares, deliverable and payable on or before the 15th December, 1817. They were on the 7th October, 1817, sold to Mr. William Jones at \$153 per share; the contract was completed afterwards; the stock never was transferred to the house; they merely made the contract.

In November, 1817, they sold 100 shares to Joshua Lippincott, on credit for three or four months, for \$15,594 48, including interest; they made an investment of funded debt, at the request of Mr. Jones, for the benefit of Mr. Aspy, of London, by funds arising from dividends on bank stock.

In December, 1816, they transferred 165 shares to John Goddard; he cannot tell whether it was a sale or loan without reference to his book. March 4, 1817, they transferred to the cashier, in trust, for a loan made of \$20,000 for the house.

March 5, 1818, he transferred to Chandler Price 100 shares.

Answer to 12th. January 7, 1818, Robert Ralston transferred 110 shares.

January 12, 1818, Robert Bowne transferred 140 shares. He does not know that they were sold, and cannot tell the rates of sale, if any; he cannot give an explanation of their value.

13th. They have made contracts both to receive and deliver. About a year ago they had contracts for 300 or 400 shares; they have never done it to an amount exceeding 600 shares on their own account. In December last they made a contract with Mr. W. Smith for 100 shares, for \$153 or \$154 per share, and the interest to be delivered in January, and payable at that time; and with Messrs. Nevins & Co. about the same time for 100 shares, at the same rate, payable and deliverable in January. The purchasers were to receive the dividends; there may have been some more, but they were small sums. We are under contract now to receive 100 shares of Nevins & Co. in the beginning of January at \$110 per share, dividend on: we have a contract with Mr. Lisle, made some time since, to deliver 100 shares in January next at \$120 per share, dividend on; he does not recollect making any contract in 1817 on their own account; he does not recollect any contract made through his house by any other director for the purchase or sale of stock, except as stated in other answers. The stock spoken of was delivered on the days, and paid for as contracted.

14th. He does not know of any except from general rumor, and his recollection of that is not sufficiently distinct and precise to enable him to identify any particular case.

15th. The same answer as to the 14th.

Mr. McEuen's examination continued.

16th. He does not now recollect that there was such an understanding at the time the discounts were made, but when the notes became due renewals were granted. It was his own impression that such notes would be renewed.

17th. The stockholders were apprized that notes would be discounted on pledged stock, and can give no other answer.

18th. The notes of his house on pledged stock have been paid off, except a small loan of \$5,000.

19th. The directors have always given preference to such notes, because they are deemed safest. The board gives a preference to a note for which stock is pledged without any endorser to business paper or bills of exchange, to a moderate extent, because, as he thinks, they are the safest. In his opinion, a considerable proportion of discounts on pledged stock is for the benefit of merchants and not of speculators.

21st. He was himself always opposed to loaning on stock above par; he was not present when the resolution was adopted, and cannot give the reasons.

Mr. Girard's examination.

1st and 3d. He is unable now to say what disposition of the fund referred to in these questions was made by the president and cashier, or whether they made any report to the board of the discounts made by them.

6th. He knows of no instances in which stock is held by any person in trust for others, unless where the stock has been placed as security for loans obtained from the Bank of the United States and his own bank. The stock taken by him in pledge was taken at par.

8th. He paid the whole of the second instalment upon the shares held by him in specie and funded debt, according to law, or in notes of a bank paying specie. He had no note discounted on pledged stock or otherwise. At the time of paying the second instalment he held 3,000 shares in his own name. The shares standing in the name of Mr. Roberjot are transferred to him by Mr. Girard, who had no interest in them afterwards.

11th and 12th. He has not himself bought or sold any stock, and has no knowledge of any other director for the last or present year having done so; he has aided Mr. Roberjot in selling some of his stock.

13th and 14th. He has not himself made any contract for the purchase or sale of stock, and does not know of any other director having done so.

15th. He answers that he cannot say any thing of his own knowledge.

16th. The bank has been in the habit of receiving and paying out branch notes, but he cannot speak accurately as to time.

Mr. Goddard's examination.

1st and 3d. He answers that the president and cashier did make discounts under the resolution referred to in these questions, and reported to the board at their next meeting of the discounts so made, on a slip of paper, which were approved by the board. He does not recollect the particular instances. A similar authority has been given

by other banks; he recollects an instance in which he himself obtained a discount on a note at four months from the president of the Farmers and Mechanics' Bank; he has understood it to be the practice also in the Philadelphia Bank.

6th. He does not know of any instance in which stock is held by any person in trust for another, excepting where stock has been transferred to the cashier in pledge for discounts obtained at the bank.

8th. He paid no proportion of the specie part of the second instalment on the shares held by him in coin; he gave a note to the cashier, payable in specie, for about \$12,000, the amount of his second instalment on 1,189 shares, which was discounted, and the proceeds applied to the payment of the instalment. The payment of the note was secured by a pledge of 185 shares of bank stock at par, including the two instalments, and was retired at maturity.

11th and 12th. He subscribed originally for 20 shares; he also obtained from Mr. Girard, through his friend, Mr. J. W. McCulloch, 500 shares, a part of the 30,000 subscribed by Mr. Girard. In October, 1816, he purchased of McEuen, Hale, & Davidson 165 shares at \$6 50 advance. In November or December, same year, he purchased 50 shares at \$14 advance. In December, same year, R. Caldcleugh bought 600 shares in one parcel and 508 in another. Of these parcels Mr. Goddard received 454; the latter parcel was bought on a credit of ninety days; both parcels at an advance of from \$10 to \$15. In January, 1817, he bought 300 shares of Biddle & Wharton at \$20 advance on the first and second instalments, at six, nine, and twelve months credit; the shares were transferred at the time of purchase, and satisfactory notes given for the amount. On the 1st of February, 1817, he purchased 850 shares, payable on the 1st of August following, at \$17 advance on the two instalments. This stock was bought by a broker; it was to have been immediately transferred, and notes given for the amount. The broker failed to comply for some time, but afterwards gave up the name of his principal, and finally the stock was transferred, and the notes given for the price. At this time Mr. Goddard held 2,339 shares. In February 55 other shares were bought by him, and shortly afterwards sold at a small advance. On the 9th August, 1817, he purchased 75 shares of Biddle, Wharton, & Brothers, at \$140. On 29th August exchanged 200 shares of United States Insurance stock for 19 shares of the stock of the Bank of the United States; the insurance stock was nominally worth from \$12 to \$13 per share. June 5, 1817, 150 shares more were transferred to him by J. Smith, as security for an acceptance for D. A. Smith; when the acceptance became due, Mr. Goddard bought the shares at \$33 advance. In June or July, 1817, he sold 100 shares, through W. W. Smith, at \$31 50 advance. July 15 sold 509 shares to William Sansom, at \$97 for the two instalments; September 30 sold 100 shares to J. W. McCulloch for the Chesapeake Insurance Company at Baltimore, at \$150. October 8 Biddle, Wharton, & Brothers sold for him 140 shares, at \$150. October 23 same brokers sold for him 200 shares, at \$151 50. In August, 1817, he sold 18 shares to Samuel Lavins at the price which it bore in February or March of that year. He knows of stock having been purchased and sold by George Williams, viz: on or about the 1st February, 1817, 850 shares bought by W. W. Smith, broker, of D. A. Smith, at \$17 advance on the two instalments.

In explanation of his answer to the sixth interrogatory, he states: That, on the 14th June, 1817, 3,000 shares were transferred to him under a power from J. Roberjot, in trust for George Williams and S. Smith & Buchanan; they were transferred in security for an acceptance for George Williams and S. Smith & Buchanan; they remained in Mr. Goddard's name till January last, when they were transferred by him to sundry persons in New York by the directions of George Williams. John Bolton informed him that he had sold some shares, in which he was interested with D. A. Smith, in 1817.

13th and 14th. He answers that, in the spring of 1817, he bought of Biddle & Wharton 200 shares, to be delivered on the 10th January, 1818, at \$120, reserving to himself the right of paying the price and taking the transfer at any intermediate time. In July or August he agreed to receive the difference between the \$120 and the price of the stock at that time, which was \$133; an allowance was also made for what the dividend might be, and in that manner closed the contract. The stock thus contracted for belonged to D. A. Smith. In July, 1817, Biddle, Wharton, & Brothers made a contract for him with William Sansom for 500 shares, deliverable early in December following, at \$135, with interest, which was completed accordingly. In October, 1817, Biddle, Wharton, & Brothers sold to William Sansom on his account 850 shares, deliverable early in December, at \$153, with interest, which was completed accordingly. Since that time he has not bought or sold a share, and holds at present 175 shares. He knows of no other director of the present or past year having made any contract for the purchase or sale of stock.

15th. He answers in the negative.

16th. The resolution of the 28th August, 1817, authorizing an advance of twenty-five per cent. on stock pledged for discount, was passed with a view of employing the funds of the institution, which had considerably accumulated by reason of the payment of the third instalment.

Mr. Willing's examination.

1st and 3d. He answers, the president and cashier were directed to report to the board what disposition they had made of the fund placed at their disposal. He presumes the particulars of the report will appear from the discount book. The president and cashier were in the habit of making their discounts on the days intervening the meeting of the directors, and the sums so done were placed on the discount book, and laid before the board at their next meeting: this was the only mode of making the report. There has occurred no instance, to his knowledge, in which the discount of notes discounted by the president and cashier, has been disapproved by the board, or has been such as would not have been discounted by a majority of the directors, if originally proposed to the board.

6th. He has no knowledge of any stock transaction, in trust, excepting his own. He subscribed 100 shares for himself, 50 in trust for his wife, and 40 for his father.

8th. He cannot say what proportion of the specie part of the second instalment he paid in coin; he rather supposes he paid his second instalment in funded debt and notes of this bank, or by a check on the bank; but he never borrowed of the bank, or had a note discounted for the purpose of paying any part of it.

11th. To this question he answers generally in the negative.

12th. He has no knowledge, excepting that he has heard Mr. Goddard and Mr. McEuen say that they had sold stock; he cannot say to what amount, at what period, to whom, or for what price.

13th, 14th, and 15th. He answers in the negative.

Mr. Savage's examination.

1st and 3d. He answers, that he does not know what particular disposition was made by the president and cashier of the fund referred to in these questions. He believes the president and cashier rendered an account to the board of the discounts made by them, by entering them upon the discount book, which was laid before the board at their next meeting.

6th. He presumes stock is held by persons in trust for others. He holds, himself, 100 shares in trust for Lemuel Taylor, of Baltimore. The stock was originally pledged to bank by a Mr. Evans, who is unknown to Mr. Savage, and by whom it was transferred to the house of Savage & Dugan, upon their giving their note in bank for the sum for which it had been pledged. Messrs. Savage & Dugan hold the stock in trust for Mr. Taylor, pursuant to an arrangement made previous to the transfer. It was bought by a Colonel Prevost, a broker, for Mr. Taylor. This transaction took place about the last of October, or beginning of November, 1818. He knows of other instances in which stock is held in trust, but declines mentioning them.

8th. He cannot state precisely what proportion of the specie part of the second instalment he paid in coin, or whether he paid any part by the proceeds of a note or notes discounted; he might have paid a part by the proceeds of such notes, but cannot say how much; but believes it was a very small part, if any.

In answer to the 11th, 12th, 13th, 14th, and 15th questions, he answers, he knows nothing of the president, Mr. Jones, having purchased or sold, but by report. He knows nothing of P. Butler, and nothing of W. Bowne. He knows that George Williams is a large stockholder, and has no doubt sold and bought, but does not know any particular instance of his having purchased or sold. He knows nothing of John Connelly or of Robert Ralston having any stock transactions. He has understood that Chandler Price has bought and sold, and has no doubt of the fact, but knows no particular instance. He does not believe that Mr. Willing has either bought or sold. He does not think that John Donnell ever bought or sold. Dennis A. Smith has bought and sold, but knows no particular instance. Thomas Leiper has not. He can say nothing about C. Evans, Jun. He presumes James C. Fisher has not. He presumes N. Prime has done a great deal at it, but knows of no particular instance; Prime is a large and extensive broker. He cannot say respecting Joshua Lippincott, but thinks he has not sold. I am ignorant of Samuel Witherall, but presume he has neither bought nor sold. He knows no particular instance of Mr. McEuen's having either bought or sold. Report says John Goddard has bought and sold stock, but has no knowledge of any particular instance. He makes the same remark respecting Mr. Bolton.

He does not know whether Mr. Sergeant has bought or sold. He cannot say respecting John Coulter.

John Lisle has bought to qualify him as a director, but does not know of his having otherwise bought or sold. His own stock transactions individually, have been very small; the remark does not apply to the interest he has in the purchase and sale by the house of Savage & Dugan; the house have purchased a great deal, and sell but little; they could not sell without a loss, and it is not in his power to specify either the time or the prices at which he bought or sold. D. A. Smith had contracts with Mr. Astor and with Mr. Prime, but cannot state the particulars; it was at the first establishment of the bank; the contract, he believes, was at fifteen or twenty dollars per share. With respect to all the other directors, he knows of no instance of their having made any contracts, either for the purchase or sale of stock, deliverable at a future period.

Major Pierce Butler's examination.

1st. He knows not what disposition was made of that fund.

2d. The president and cashier discounted one note for \$30,000 on pledged stock, but it was not to pay the second instalment.

3d. The president and cashier always, to the best of his recollection, brought a statement of what had been discounted by them on the intervening days; whether distinct from the books or not, it is not within his recollection.

4th. He cannot designate, but presumes the letter *a* is the distinguishing mark between those which were accepted at the board.

6th. He does not know.

7th. He does not know.

8th. He paid the coin of second and third instalments, and gave nineteen and a half per cent. for that at the second instalment; for the first he thinks he gave twelve per cent.

9th. He owns one thousand shares, originally subscribed for; he never bought or sold a share.

11th and 12th. He does not know of any, but has an impression that they did; but it is only an impression from general rumor.

13th, 14th, and 15th. He does not know any thing about it, of his own knowledge.

16th. When the payments of the second instalments were refused, he objected to discounting, to enable them to be made, but saw that it was absolutely necessary to enable the bank to go into operation, and then yielded to it; he never heard of any such understanding; it was practised, however.

19th. They have never refused a renewal on stock notes; in respect to the disposition of the board, such preference was felt, but there was no order on the subject; he has never known any good paper refused on account of the amount of stock notes offered.

21st. He thinks the president informed the board that all the banks in New York and Philadelphia had discounted on pledged stock at one hundred and twenty-five dollars per share; he was himself opposed to the resolution.

Chandler Price's examination.

1st and 3d. That fund was loaned on pledged security, and an account of the loans was rendered at every meeting of the board; he thinks it was a verbal account, but that what was done was placed on the books.

6th. He does not know of any, except that he owns a little in trust for his family, and a small amount in trust for Mr. Morgan, of New Orleans.

8th. He paid the first and second instalment—the specie part in coin.

11th and 12th. He does not know of any other director having purchased or sold stock; he has heard rumors, but has no personal knowledge. The 22d April, 1818, or thereabouts, he purchased two hundred and fifty shares, which he yet holds, at one hundred and forty-five dollars per share; and some time in 1818, he thinks in the spring, he purchased one hundred shares, at one hundred and thirty-nine dollars per share. In August, 1817, he left instructions that if stock rose to one hundred and fifty dollars, his clerk should sell enough to pay his third instalment, and a sale was effected for upwards of two hundred shares, at about one hundred and fifty. He cannot now state any other purchases or sales. Before July, 1817, he sold several hundred shares, at a rate varying from one hundred and seventeen to one hundred and thirty-four dollars; and he has bought and sold, at different times in 1817 and 1818, several hundred shares, both on his own account and on account of several of his friends; the stock which he bought for others, as well as for himself, passed generally in his own name, and was afterwards transferred as directed. He never bought of, or sold to, or held in trust, or as attorney, any stock for a director of the bank.

13th and 14th. He does not know of any contract or time being made by any director either for the purchase or sale of stock.

15th. He has no knowledge on the subject.

Examination of Mr. Bohlen.

6th question. He has no information which he can rely on touching the subject. His house holds 2,030 shares in its own name.

8th. He paid the full amount, in specie, in all his stock held at the time of the second instalment; he paid five or five and a half per cent. advance for the specie.

11th and 12th. His house has purchased stock; it originally held 1,000 shares, and have purchased at various times; at one time he purchased 189 shares, at another 191, and at other periods 30 and 120 shares. The 120 he purchased early in 1817; the 189 and 191, the latter part of that year; the 30 shares in last January or February. For the 191 shares he paid 150 dollars; all his purchases were made through the agency of a broker. He has made no sales: he has no knowledge of the transactions of other directors. For the shares purchased in 1817, to the best of his recollection he paid 134 dollars and 144 dollars per share, and for the thirty purchased in 1818 he paid 143 dollars.

13th and 14th. He has no direct information on the subject; he has heard reports to that effect; he never made any contract himself, nor has any one for him.

15th. He has no knowledge on the subject.

Examination of Mr. John Lisle.

6th question. I do not know of any.

8th. He was not an original subscriber, and held no stock at that time.

11th and 12th. He purchased 100 shares of John Savage, on January 5, 1818, at \$150 50 per share; he sold 50 shares at \$146 50 per share, to McEuen, Hale, & Davidson, on March 10; and on September 10, to Biddle, Wharton, & Brothers, he sold 30, at \$125 25 per share. He has understood that Mr. Goddard sold a tolerably large amount of stock, but as to him and others he has no positive knowledge.

13th and 14th. He has no information on the subject; he has had no concern of that sort himself.

15th. He has no knowledge that can be relied on.

Examination of Mr. Lippincott.

6th question. He has no knowledge on the subject.

8th. He paid the specie part of his second instalment, by means of a note discounted at bank, which note was paid at maturity.

11th. He purchased of Biddle, Wharton, & Brothers 48 shares, and 252 of Dennis A. Smith; he does not recollect the time of the purchase, nor, distinctly, the advance. He also purchased of McEuen, Hale, & Davidson, on or about January 9, 1818, 100 shares, for which he gave rather upwards of \$150 per share. He has never sold stock. He knows nothing of the purchases or sales of other directors, except by common report.

13th and 14th. He has no knowledge on the subject.

15th. The same answer as the last.

Examination of Mr. George Williams.

1st. That the fund was disposed of in the manner prescribed by the institution; he does not recollect whether he obtained any loan from the president and cashier under that authority, but it is probable he did.

3d. He does not recollect whether there was any, as he seldom was present at the board; but has no doubt there was.

6th. Some stock belonging to himself is held by the cashier, in trust, being pledged for loans. Mr. Savage has held some stock in trust for Mr. Taylor, of Baltimore; he has himself a large amount of stock, held in New York and Massachusetts, pledged with different persons and public institutions, on which he has obtained loans; he has also 900 shares held by his friends, and which are not pledged for any loans. He is also interested in a large number of shares which were sent to England, and which were pledged, and a loan obtained thereon. Of the stock held in company with S. Smith & Buchanan, and Mr. McCulloch, some part of it is held, he believes, in trust, and loans obtained thereon, in different places.

8th. Not having his book, he cannot say positively; he owned 2,972 shares, he thinks, which he originally subscribed for, of which 800 shares were subscribed for a friend in the western country, on account of a Mr. Findlay and himself. He paid the whole of the second instalment on these shares in coin, and he paid the specie part of the second instalment, of the remaining 2,172 shares, by a loan, he thinks, in part; he gave thirteen per cent. for the specie paid on the western shares.

9th. The whole amount subscribed by him in Baltimore, amounting to 1,172 shares, was taken in the names of individuals, one share to each name; that subscribed in the western country was in small parcels of 10 and 20 shares; he subscribed as attorney for the whole 1,172; he could go into the market, and buy names at eleven-pence each, and that was the practice. The whole of the shares thus subscribed for were consolidated, and thinks they were transferred to him.

12th. He knows of none but himself, except as hereinafter mentioned, but has no doubt they have, though he cannot say positively. About June 20, 1818, he sold 150 shares, at \$144 per share; he has sold no other shares; he has purchased largely, and is a large stockholder; he has purchased some at high prices; he bought of N. Prime, about the 2d of January, 1818, 500 shares, at \$153 per share; he bought of Biddle, Wharton, & Brothers 500 shares at the same time; he declined stating at what price; he frequently bought of various persons; he had great confidence in the stock, and went very largely into it. He bought of Robert Gilmore & Sons 100 shares, at \$126, he thinks in 1817, but does not recollect the precise time; he does not now recollect any other particular instances; he cannot say whether he bought in June and July, 1817, or not.

13th and 14th. He was concerned in a company who purchased largely; he believes they were contracts, the most of them; Smith & Buchanan and Mr. McCulloch, of Baltimore, together with himself, composed the company; he cannot recollect the amount of shares contracted for, but remembers the prices of some of the contracts, and declines stating them; he thinks it must have been in 1817; he declines giving any further information respecting contracts made by him.

15th. The company before mentioned, together with Dennis A. Smith, bought 4,000 shares of Mr. Girard, at \$51, he thinks, for \$35 paid, of which Mr. Savage had 1,000 shares; Mr. Jones had 1,000 shares, which he purchased at \$132, the purchaser receiving the July and January dividend, which would reduce it to about \$126; that the company had contracted for this with William W. Smith, of the Commercial and Farmers' Bank; he recollects no other contract, or purchase of any share in a contract, in which Mr. Jones was concerned. Having large transactions of stock, he cannot specify particular instances without reference to his books, which he has not here.

He is positive that Mr. John Donnell has never bought or sold any stock. He holds 4,000 shares; a part of which he subscribed for in his own name, or as attorney for others, and the residue he purchased of Mr. Girard, immediately after the subscription by him; and he has never made any contract for the purchase or sale of stock, nor purchased any interest in any such contract.

Examination of Mr. John Connelly.

6th question. He does not know of any.

8th. He paid the whole of the specie part of his second instalment in silver. He thinks specie was about five per cent. And Manuel Eyre also paid the whole of his in coin. He knew that a note could be discounted at the bank for the specie part of the second instalment, but felt himself particularly bound, as a director, to comply strictly with the law. He has, himself, never had any discount at the bank.

11th and 12th. He does not know any whose names he could designate, except Manuel Eyre, who he thinks sold some stock, but he is not certain of it; he thinks he never bought any stock; he has himself never bought or sold stock.

13th, 14th, and 15th. He does not know of any.

Mr. Cadwallader Evans, Jun.

6th question. He does not know of any, excepting that which has been transferred to the cashier in security of discounted notes.

8th. He paid the whole of it in specie upon one hundred shares, originally subscribed, and thinks he gave about eight or ten per cent.; he paid it upon 200 shares afterwards purchased, from money deposited in the Bank of the United States.

11th and 12th. In November or December, 1816, he purchased 200 shares, at \$14 advance; in the latter part of August, 1817, he purchased 10 or 12 shares more, at \$148 per share, and sold the 10 or 12 shares in a week or two after they were purchased at \$152, he thinks; he does not know of any other director having bought or sold, except from general report.

13th. About the middle of August, 1817, he made a contract, through Biddle, Wharton, & Brothers, with J. C. Smith, for the sale of 200 shares, payable and deliverable in six months, at \$145 per share, with interest, the purchaser to receive the dividend; a note was taken, and at the time agreed upon the stock was paid for and transferred. He does not know of any other director having made any contract for the purchase or sale of stock..

15th. He knows nothing but from general rumor.

Examination of Mr. Robert Ralston.

6th question. He does not know of any being so held, excepting that he has 50 shares in his own name, in trust for Josiah Roberts of London, and 167 shares in trust for his children.

8th. He paid the whole sum, \$10,000, on 1,000 shares, in coin; specie was at five per cent.

11th and 12th. He does not know of any; he has himself purchased, in April, 1817, 100 shares at \$81 $\frac{1}{2}$, subject to the last instalment, and were sold in August, 1817, at \$150, the third instalment being then paid.

13th and 14th. He does not know of any director having made any such contract.

15th. He does not know of any.

Examination of Mr. Thomas Leiper.

6th question. He knows of none. At the time of the subscription, he took 100 shares, 10 shares in his own name, and the residue in other names. It was generally divided in small parcels by the subscribers. They divided in this way to effect the election. They are now all consolidated in his own name. He was one of the commissioners for taking subscriptions.

8th. He cannot give an answer to this question.

11th and 12th. He has heard Mr. Savage say he had bought and sold, and that if he sold now he would be a loser. Mr. Goddard told him he had sold; he knows of no other director, except from general rumor; he has himself never bought or sold.

13th and 14th. He has no personal knowledge on the subject.

15th. He knows nothing respecting such purchasers, if any; but has no doubt there has been a great deal of that business done.

Examination of Mr. Coulter.

6th question. He answers in the negative; the stock subscribed by him was divided, as was generally the case, to effect the first election; but he has since consolidated. He paid the two first instalments in coin and funded debt. He does not know at what rate specie was then sold, as he imported his coin. About July, 1817, he sold coin for the India trade at 20 per cent. advance. He paid the coin part of the third instalment also in coin.

11th and 12th. About ten days ago, he sold 140 shares at \$112, and this is the only sale he has ever made; he has made no purchases. He knows nothing of any other purchases or sales, except from common report.

13th, 14th, and 15th. He answers in the negative.

Examination of Dennis A. Smith.

BALTIMORE, December 30, 1818.

6th. He knows of a great variety of stock having been held in trust; a number of shares have been hypothecated in England and to individuals, for the purpose of obtaining loans; he knows of no other.

8th. I paid the second instalment on 39,000 shares, and paid the specie proportion of ten dollars per share in coin, and in drafts on Boston, which were equal to coin. The funded debt proportion I also paid, as directed by the charter. I obtained no discount from the Bank of the United States or its branches, to enable me to meet the payment of my second instalment; but I was an advocate for the measure adopted by the board to aid the stockholders in making that payment, by discounting notes at short periods, payable in specie. The specie and drafts on Boston, cost me from four to six per cent. in Philadelphia. The exchange between Baltimore and Philadelphia, at that period, was about four per cent.

9th. He subscribed in his own name, and as attorney for sundry persons, but for his sole account, for 3,100 shares at Baltimore. Subscriptions were also made by other persons for his use, chiefly in Baltimore and in Philadelphia, for upwards of 6,000 shares. The stock so subscribed, both by himself and his agents, was divided from

2 to 20 shares to a name. The motive for using so many names was to secure the stock, and to obtain an influence at the election of directors. He was anxious to have the institution well managed in which he held so large an interest. He also procured, through Mr. Giffard's subscription, 2,000 shares. He purchased immediately thereafter 8,000 shares, at an advance of \$4, and about 9,000 at subsequent periods, from 10 to 17 dollars advance. Those cases where the shares were so divided, he subscribed as attorney for the individuals whose names had been used, and those shares really belonged to him, and were principally voted upon by him at the first election, or to others who were interested with him; soon after the first election was over, they were transferred by the individuals whose names were used, to him and to his order. He thinks the commissioners at Philadelphia must have known that the shares upon which he voted as attorney belonged to him.

11th and 12th. A number of the directors have purchased and sold, to his knowledge. He has known Mr. John Savage to buy, occasionally, and to sell a few shares. Mr. S. bought 1,000 shares at \$152, in the last of August, 1817, which he yet owns. Nathaniel Prime has purchased; he has no actual knowledge of N. Prime's having sold on his account, but believes he has. John Goddard has bought and sold. He understood Mr. Jones to say he had purchased a quantity of stock at \$150, which he now holds, but Mr. Smith does not recollect the amount; he believes Mr. John Donnell has neither bought nor sold stock, but holds what he originally subscribed for, (about 4,000 shares;) he has known Mr. George Williams to purchase a considerable amount of stock, but has never known him to sell any. Mr. John Bolton was concerned with him in a purchase of shares at from 150 to 155 dollars per share; he does not recollect the amount, but thinks at least 1,000 shares; he has himself made many purchases and sales of stock, but cannot state the amount.

13th and 14th. He knows several directors to have contracted to receive stock, but none to deliver it, except himself, who has contracted to do both.

About the 2d August, 1817, Mr. Jones was interested in a purchase of a contract for stock, which was made by a broker, Mr. Nevin, at Philadelphia, on account of Mr. D. A. Smith; the whole contract was 3,000 shares, of which Mr. Jones had 1,000 shares, Mr. Savage had 1,000 shares, and Mr. Jonathan Smith had 1,000 shares, at \$135 per share; they were delivered in about ten days, and the contract was fulfilled by the payment of the difference, to the amount of \$40,000, or thereabouts. There was a contract made by Mr. George Williams and himself, with the Commercial Bank in Philadelphia, for the benefit of Mr. William Jones, he thinks, for 1,000 shares; the contract was fulfilled by the delivery of the stock, which was sold, and the profit given to Mr. Jones. Whether it was sold with his concurrence or not, he does not now recollect. There was no intimation given to Mr. Jones, at the making of the contract, of his being interested; but previous to its maturity such an intimation was given. The profit on those 1,000 shares, was paid to Mr. Jones in money; he thinks the profit was about \$15,000. If the concern had been a losing one, it was the determination of Mr. Williams and himself not to apprise Mr. Jones of it. He has made distinct contracts, on his own account, with the Commercial Bank in Philadelphia, for the purchase of stock, one for 1,000 shares, and one for 1,700. Mr. Williams made a number of contracts for the purchase of shares, but made none for the sale of shares, to his knowledge.

Jonathan Patterson, first teller.

He was first teller on the 28th August, 1818, but was absent from the bank; he has generally paid out the paper of this bank, and never paid out the branch notes when supplied with their own; and when they were paid out, they were in notes of small denominations, tens and fives principally: but they never amounted to any considerable sum. Soon after his return to the bank, which was two or three weeks after the 28th, the notes of the branches were received from travellers; he has exchanged small sums with persons who stated they had received the branch notes from the bank before the resolution was passed.

Caleb P. Iddings.—Third general head, third question.

On the 28th of August last, he was second teller, (receiving teller;) he knew of the resolution immediately on its being passed, (about one o'clock,) but understood it was not to take effect on that day; he never paid out any other than the notes of the bank, except in cases of necessity; he on that day received all branch notes that were offered; since the 29th, he has received the notes of branches only in payment of duties to the Government, except in very few instances; a small note would be received to save a protest, but never as a favor to individuals, and generally on his own responsibility; he acted as first teller on the 28th of August, and for about two weeks after; and no notes of the branches were received from travellers during the time when he so acted as first teller. The only notes of branches which were paid out immediately before the 28th of August were those of small denominations, and never amounted to any considerable sum.

Jacob Clarkson.

He was discount clerk from the organization of the bank until Mr. Burtis succeeded him; he kept the offering book from M to Z, and the account of notes discounted on pledged stock; and he kept the offering of notes on pledged stock; there never was any note discounted on pledged stock, without their being payable to the cashier, unless in the case of discounts above the par value, when an endorser was required for the excess. Joseph T. Clements was appointed with him in the discount department. In the case of notes offered for renewal of those which had been discounted on pledged stock, and which fell due on intermediate days between discount days, the discount has been made by the president and cashier, without being communicated to the board, and before a meeting of the board; it was considered a matter of course thus to renew them; he does not know of any authority having been given by the board to the president and cashier to discount any notes to the amount of \$500,000, or to any other amount; and he does not know of the president and cashier having discounted any original note, (not a renewal,) except as it appears from the books that notes have been discounted, without having the letter *a* annexed to them; all the notes marked *a* in the discount book were done at the board; those not so marked were entered by him, generally, and as discounted by order of the cashier. He mentions the discounts of

S. Gratz & Brothers, for	-	-	-	-	-	\$10,000
August 9, M. Ball,	-	-	-	-	-	6,500
Savage & Dugan,	-	-	-	-	-	17,500
Calhoun & Matthews,	-	-	-	-	-	40,000
August 18, McEuen, Hale, & Davidson,	-	-	-	-	-	140,000
Dockeray Smith,	-	-	-	-	-	22,000
August 29, George Rundle,	-	-	-	-	-	17,500
John Bolton,	-	-	-	-	-	243,400

as being originally discounts.

He has no knowledge of the president and cashier, or either of them, having discounted notes, or made loans which are not entered in the books.

Henry J. Hutchins.—Second general head, fifth question.

From the organization of the bank, until the 28th of October, 1817, he has had charge of the business of receiving the instalments on the capital stock. He attended only to receive the funded debt part of the second instalment; the coined part was received by Mr. Iddings, the second teller. He has no knowledge himself of the second instalment being paid by the proceeds of discounted notes, and did not know from what source the funds were drawn. When more than the coin part was received, instead of the funded debt, it was by a check or ticket, passing from the second teller to the witness. These instances were very few before the 23d of January; after the 23d of January, large amounts of the stock were paid by a credit in the second teller's book, and witness looked in that book for evidence of credit; the payments of funded debt after the 23d were few, compared to the amount of the payments which had been previously made.

Questions to witnesses out of the bank.

1st. Do you know what kind of notes were paid out of this bank on the 28th of August, 1818, and immediately preceding that time? If so, state whether they were any notes payable at the branches.

2d. Do you know whether the Bank of the United States received the notes of their branches after the 28th of August, especially those which had been paid out of the bank?

3d. Can you refer us to any persons who can give information on the above subject?

Examination of witnesses out of the bank.

James S. Smith, Jr., an officer in the Bank of North America, says in answer to the

1st question: That a short time before the period alluded to, and frequently in the course of business, he received branch notes from the Bank of the United States, not to a large amount; he received some of \$100, and some of \$20, but they were most frequently of small denominations; the \$100 notes were frequently mingled with the other notes of the bank.

2d. The bank always received back from him the branch notes which he had there received. Those branch notes which had been received at the Bank of North America, on the 28th of August, were received by the Bank of the United States the next day, but were afterwards refused. He understands that all the banks in Philadelphia were treated in the same manner. He knows of no instance of a refusal on the next bank day to receive of banks the branch notes so on hand; but he saw the officers refuse to receive them of individuals at the counter; but does not know whether those individuals received them of the bank or not. I do not know, and never heard of, any instance of branch notes being refused to be received of an individual who had previously received them of the Bank of the United States.

Joseph Simms.

He has never received any other notes of the bank than its own, payable at Philadelphia.

BALTIMORE.

Questions to the president and cashier of the Baltimore branch.

1st. Has any fund been appropriated by the board of directors over which you preside, to the disposal of the president and cashier, to be loaned by them on pledged stock, or otherwise? If so, has any authority for that purpose been given by the parent board?

2d. What was the amount of discounts on pledged stock prior to the 2d of March, 1817? and were the notes then discounted paid at the time they fell due?

3d. Were their notes discounted on pledged stock after the 25th day of July, 1817, paid at the time they fell due?

4th. Was it known in Baltimore, previously to February, 1817, that the payment of the specie part of the second instalment would be facilitated by making discounts to the stockholders to that amount?

5th. Have drafts on other offices been sold at this office for premium?

6th. When did you receive information of the parent board having adopted the resolution of the 28th of August, 1818, refusing to receive the notes of the branches? What kind of notes did you pay out of this office immediately preceding that time?

7th. How were the balances against you at New York and Boston returned in February and March?

James A. Buchanan, president, &c., answer.

5th. He does not know of any.

8th. He paid the whole of the specie part of the second instalment in coin.

11th and 12th. He has no precise information on the subject, upon which he could rely.

13th, 14th, and 15th. He does not know of any such transactions.

1st. There was no specific fund appropriated; it was a matter of course here, to discount on pledged stock, and then the discounts were made by the president and cashier of this office, under a verbal authority given by the board of directors of this office.

2d. He believes they were all paid without renewal, excepting in two instances; in these, notes were renewed to the amount of \$5,410 61.

3d. Their notes were generally renewed, and continued so up to this time.

4th. He believes it was generally known.

5th and 6th. He refers to the cashier for information.

Examination of James W. McCulloch.

6th. He knows of 4,000 shares held by Richard M. Johnson, as assignee of James Prentiss, of Kentucky. He knows that a large amount of stock is held in England, and in New York, upon hypothecations, for the purpose of obtaining loans; he knows of no other; that some was held by the Bank of the United States and its offices.

8th. He paid the whole of the specie part of the second instalment on the shares held by him, in coin, and by drafts on Boston, which commanded coin, and for which he paid the same price as for coin; he paid eight and ten per cent. in Baltimore for specie and drafts. About a month before the resolution was adopted authorizing dis-

counts to facilitate the payment of the second instalment, specie, he understood, was at twenty-five per cent. in Baltimore.

9th. He thinks he subscribed for none in his own name; he subscribed for 2,000 shares jointly with his brother, as attorneys for about two thousand persons, and 1,000 shares jointly, with Smith & Buchanan, as attorney for one thousand persons; those shares actually belonged to himself and brother; and Smith & Buchanan voted upon those shares, by virtue of the power given by the individuals whose names were used; those shares were consolidated prior to the first dividend, and after the second election. He thinks all the stock subscribed at this place was consolidated after the second election, and prior to the first dividend.

11th and 12th. Mr. John Goddard has informed him that he has sold some stock; how much he is ignorant; he thinks it was in 1817. Mr. Bolton sold stock in the close of the year 1817; he thinks both these sales were at about \$140 to \$150.

Manuel Eyre sold some early in 1817. Chandler Price informed him he had sold some early in the year 1817. Mr. Girard has sold large portions of stock, previous to the second instalment, and some previous to the third instalment; 3,000 shares to Dennis A. Smith, and Smith & Buchanan, and George Williams; 1,000 shares to John Savage, through Newman, a broker. A purchase of 1,000 shares was made by D. A. Smith, George Williams, and Smith & Buchanan, receivable of William W. Smith, a broker, and the Commercial Bank at Philadelphia; it was the intention of those gentlemen, if the stock rose, to present them to Mr. William Jones, without whose knowledge the purchase had been made. Mr. D. A. Smith, contrary to the intention of the gentlemen concerned with him, and, as they thought, prematurely, after the stock had risen a few dollars, mentioned the transaction to Mr. Jones, who accepted the purchase, and considered the stock as his own; he thinks that Mr. Jones received the assignment of the contract, and sold it without having the stock transferred to him: he sold it at a profit of about \$15,000, as well as Mr. McCulloch recollects. He understood from Mr. Jones, that he purchased 1,000 shares, which he has recently been informed are still held by Mr. Jones; he bought them at about the same price or a little higher than he sold the contract for. He knows of no other instance in which Mr. Jones was interested.

Mr. Goddard has also informed Mr. McCulloch, prior to the sales first mentioned in this answer, that he had purchased stock; to what amount he is ignorant. Mr. Bohlen has also purchased stock. Dennis A. Smith has often informed him of purchases and sales that he had made frequently and extensively, but he cannot recollect the particulars. Mr. George Williams has often made large purchases, and has made small sales once or twice, but is ignorant of the particulars. Mr. John Savage has occasionally made sales of a few shares, but has purchased a considerable amount, sometimes at high prices, which he still holds. Mr. George Williams, Smith & Buchanan, and himself, have made considerable purchases, in which they were jointly interested; and they still hold the stock then purchased, with the exception of about 4,000 shares that have been sold, which were recently sold at the rate of from \$125 to \$127 per share; these purchases were made at three periods, but chiefly of one person, and, excepting those of the first period, without any prospect of gain. These purchases were made of this person, with a desire to serve him, and to secure the payment of large debts due to this institution.

13th and 14th. He knows that Dennis A. Smith has made large contracts for the purchase of stock; but has made very few, and to a small amount, for the sales of shares. Those contracts were made during the year 1817, and generally on a few months' time. At all times his contracts for purchase were a little above the market price of stock; and although generally sold without himself receiving the stock, and before the contract was mature, at an advance, in some instances were received at a considerable loss. He does not know of any other contract having been made by any other director.

15th. Some of the purchases of stock made by George Williams, Smith & Buchanan, and himself, the sellers assigned contracts for the delivery of stock, in satisfaction of the original agreement; and he knows of no other purchases of contracts.

1st. The loans made at this office on pledged stock have been made generally by the president and cashier, under verbal authority of the board, given generally, and not in reference to particular instances; that they were made to every stockholder that applied, until this office was instructed not to increase its loans. Under the same authority, the president and cashier have generally purchased bills and drafts on those places, when it was desirable to remit, and chiefly on certain cities. In order to reduce the balances against this office, they purchased bills at sight, and from sight to sixty days; he thinks they would average about thirty days. The aggregate amount has been very considerable, and, with very few exceptions, and to trifling amounts, they have been paid at maturity, and in those excepted cases, the drafts have been paid on their return, and there are none lying over. Occasionally, for the purposes of security, the president and cashier have, with the approbation of one or more of the directors, discounted to prevent loss to the office.

2d. The amount discounted in that manner for the specie part of the second instalment was \$138,320; and \$12,200 was discounted in anticipation of the third instalment; all these notes were paid without renewals, except in two instances, to the amount of about \$5,400.

3d. Some have been paid, but supposes two-thirds of them in amount remain now on renewal.

4th. The directors and officers of the office endeavored, by conversation, to make it known; and believes it was very generally known to the stockholders and to the public by the 28th of December, and for a month before it had been generally spoken of, and was anticipated.

5th. From September to November, in the year 1818, drafts on the Bank of the United States, to an amount of about \$80,000, have been sold to applicants at this office, under the directions of the parent board, at an aggregate rate of about one-half per cent. Drafts on other offices, to the amount of about \$17,000, have been sold at the rate of from one to two per cent., under the same directions. Since November, he has ceased entirely to give checks to individuals on other offices, and has refused repeated applications for drafts at a premium. The parent board will not allow the offices to draw on each other.

6th. He thinks, on the 1st of September, 1818, previous to that time, this office had indiscriminately received the notes of the parent bank, and of all the offices, and had indiscriminately issued them. About \$10,000 had been alleged to have been received of the notes of the other offices by individuals, and were received by those individuals again at this office; there has been no instance within his knowledge of an application to receive the notes of the other offices, alleged to have been paid out by this office, having been refused. And when applications have been made by travellers for the notes of other offices, or for the redemption of the notes of any other office at this, they have been uniformly accommodated. Mr. Larentrie, the first teller, was the officer who paid out notes at the time alluded to.

7th. The reduction of the New York balance was effected by the sale of foreign bills of exchange by individuals of Baltimore, to the parent bank, by whom a check was given on New York for \$1,007,500; these were the same bills that were detained on a pledge of stock to Messrs. Baring & Brothers, in England, for a loan made by them. Occasionally, Treasury warrants on New York were received from the office at Washington, in payment of the balances due from it to this office, and the reduction was further effected by commercial drafts sent to New York for collection.

From the commencement of this office to this time, it has made remittances of specie to the amount of about two millions, sent to the parent bank for the purpose of being remitted to Boston and New York, for which this office obtained credit at the parent bank, but not at those offices. In consequence of the redemption by the Government of the eleven millions of debt, all the public money in this office, amounting to about a million and a half, was, in July, 1817, transferred to the parent bank. The reduction at Boston has been effected generally by the remittances of commercial bills. The Treasury account has frequently been overdrawn at this office from \$100,000 to \$200,000.

The parent bank has credit for about \$11,000,000 of notes sent to this office as money, and the account with it includes every thing in which the office and bank have any concern.

The reduction of the debt to the parent bank, in November last, was effected by drafts on those offices which were indebted to this office, and upon which this office had been prohibited giving checks to the community, until further orders.

John Lewis Larentrie was first teller of this office on the 1st of September last, and has been so from the commencement of the institution; it is, and has been, his business to pay out money and notes from this office; as fast as they were issued, they were immediately remitted. This office has never had a sufficient supply of its own notes. Previous to the 1st of September, 1818, this office immediately received and paid out the notes of the bank and its offices. After that period, and after they were apprized of the resolution of the parent board, this office did not pay out any notes of the bank at Philadelphia, or of any of its offices, unless when they were asked for, except in one or two instances, one of \$500, and the others of \$20 or \$50, which were entirely accidental, and which were immediately received again, on application for that purpose. The Union Bank had received more than \$7,000, which had been remitted to Barr, Kuse, & Welch, and by them deposited in that bank, previous to its being notified that such notes would not be received at this office; and although those notes were not paid out at this office, yet, on application for that purpose, those notes to that amount were received after the 1st of September. He does not recollect any other instance of an application to this office to receive back the notes of the other offices which it had previously paid out, and he is confident that if any such application has been made, it has never been refused. He is the officer to whom such applications would and ought to be made.

WASHINGTON.

Examination of George Graham, Esq., who became president of the office at Washington in the month of July or August, 1817, and is so at this time.

Answer to 6th question to directors. There is stock pledged to the cashier in security for notes discounted; he knows of no other, excepting about 200 shares held by Colonel Bomford, in trust for Mr. Cutts.

8th. He held no shares at the time.

11th and 12th. He has no direct or positive knowledge of any such sale or purchases.

13th, 14th, and 15th. He has no knowledge of any transactions of that sort.

Answers to some questions put to the president and cashier at Baltimore.

1st. He has no knowledge of any such appropriations, or of any loans having been made by the president and cashier.

2d. This office was not in operation until the 8th March.

3d. The notes on stock have generally been renewed whenever requested, and have always been curtailed in the same proportion with other notes, whenever a curtail was directed either by the parent board or the directors of this office.

4th. He cannot say positively whether it was known in Washington or not, but presumes that it became known by February, 1817.

5th. Drafts to a small amount have been sold at a premium, but refers to Mr. Smith, the cashier, for the amount of them, and the rates. Bills of exchange have been purchased to a considerable amount by the cashier, without being submitted to the board of directors, or to Mr. Graham; and he has no positive knowledge of them.

6th. He was absent at the time, and does not know. This office generally paid out its own notes, and never those of the other offices, unless required. Very few notes of other offices have been received at this.

Richard Smith, Esq., cashier of the office at Washington.

Answer to 6th question to directors. He does not recollect of any other than what is pledged to the cashier, in security for notes discounted.

8th. He paid the specie part of the second instalment early in March, either in coin or in the notes of banks paying specie, which were deemed equivalent to coin; specie, he thinks, was then at par in Washington.

11th and 12th. He knows that D. A. Smith purchased to a large amount, but does not recollect the particulars. He understood that a company of gentlemen in Baltimore purchased of the Bank of Columbia about 3,000 shares in May, 1817, and that bank, being indebted to this office, paid it by a draft on the parent bank at Philadelphia of \$237,250, which draft, he supposed, had been obtained for the shares sold. He knows of no other sales or purchase of stock.

13th, 14th, and 15th. He knows nothing on the subject.

Answers to questions put to the president and cashier at Baltimore.

1st. There has been no particular fund appropriated for that purpose; but the directors of this office, in the latter part of July or in August, 1817, authorized the cashier to discount any note that might be offered, between discount days, on the stock of the bank or on funded debt. He loaned very little under that authority; he thinks not exceeding \$10,000.

2d. This office did not make any discounts until the 8th March.

3d. They have generally been renewed, and always when required by the discounter. Whenever curtailments were directed, they fell equally upon those notes with the others.

4th. It was known only in Washington but from general rumor.

5th. Drafts have been sold to the amount of \$320,495 41. The rates on Philadelphia commenced at one per cent., but in less than a month they were sold at one-half per cent.; drafts on Charleston, Savannah, and New Orleans have been uniformly at two per cent.; on New York, they have varied from one to one and a half per cent.

The drafts were sold by him to whomsoever applied, and under authority from the directors of this office, authorized by the parent board to do so. He has purchased domestic bills of exchange payable at sight, and some on short time, not exceeding five days sight, but not to a large amount. All those which had long time, exceeding five days, were discounted by the board. The purchases made by him were not under special authority from the board, but were made for the accommodation of the individuals offering them.

6th. It was received, probably, the 31st of August, as it was laid before the board of directors on the 1st September. The practice was to pay out only the notes of this office; but those of other offices might accidentally be issued. He recollects but one instance in which any person applied to this office to receive back notes of other offices paid out before that time; that was a very trifling amount, and, not being convinced of the fact, they were not received.

List of branch notes, payable to bearer, which have been received at this bank, and remitted to the several offices, as follows, viz:

Office.	Date.	Amount.	Total.	Office.	Date.	Amount.	Total.
New York, -	1817, Oct. 17	\$98,964 13	\$236,083 79	Richmond, -	1817, Nov. 21	\$91,835 00	\$480,294 00
	1818, Mar. 13	27,513 58			1818, April 3	104,215 00	
	May 2	8,240 00			May 6	42,890 00	
	May 21	26,813 00			June 8	41,360 00	
	June 20	32,736 08			June 24	22,790 00	
	July 20	6,020 00			Sept. 8	86,379 00	
	Aug. 19	13,910 00			Nov. 4	55,000 00	
	Sept. 2	13,777 00			Nov. 16	35,825 00	
	Sept. 24	8,110 00					
Baltimore, -	1817, April 2	139,740 00		Norfolk, -	April 3	84,563 42	
	April 14	15,410 00			May 6	30,850 00	
	April 23	17,210 00			June 8	24,980 00	
	May 3	10,885 00			Sept. 8	61,110 00	
	May 10	21,008 32			Nov. 16	52,820 00	
	June 28	117,713 00					
	June 17	121,130 40		Charleston,-	April 3	52,685 00	
	Aug. 23	69,645 80			May 23	27,600 00	
	Sept. 24	24,360 00			July 1	41,507 00	
	Oct. 12	30,770 00			Aug. 7	35,790 00	
	1818, Jan. 8	71,715 00			Oct. 3	71,540 00	
	Feb. 26	88,890 00		Savannah, -			
	Mar. 28	23,230 00			1817, Nov. 5	6,500 00	
	April 3	31,246 00			1818, April 10	25,400 00	
	April 18	18,125 00			Nov. 7	253,780 00	
	April 30	29,614 00		Fayetteville,	June 24	102,200 00	
	May 6	71,073 00			Oct. 26	117,238 00	
	June 8	85,345 00		New Orleans, Pittsburg, -	Sept. 8	-	
	June 22	53,591 00			1817, Oct. 22	1,300 00	
	July 10	52,200 00			1818, Mar. 2	27,520 00	
	July 25	23,230 00			Mar. 3	7,195 00	
	Aug. 20	34,425 00			Mar. 28	20,540 00	
	Sept. 8	106,865 00			July 2	31,220 00	
	Sept. 28	23,925 00			Sept. 16	45,830 00	
	Oct. 1	41,365 00			Sept. 30	52,020 00	
	Oct. 6	24,310 00					
	Oct. 22	22,500 00		Lexington, -	1817, Nov. 5	27,350 00	
	Nov. 5	18,750 00			1818, Oct. 13	143,280 00	
	Nov. 28	52,883 00		Louisville, -			
					Mar. 19	14,390 00	
Washington, -	1817, June 28	100,958 00			Aug. 3	61,630 00	
	Oct. 22	88,549 44			Oct. 13	27,550 00	
	1818, Mar. 23	139,331 75		Cincinnati,	1817, Nov. 5	198,745 00	
	April 3	37,852 00			1818, Mar. 28	76,490 00	
	April 18	29,442 00			Oct. 1	92,910 00	
	May 6	79,183 00		Chillicothe, -	July 2	-	
	June 8	125,710 00			Jan. 12	-	
	June 24	66,380 00					
	July 30	102,260 00		Portsmouth,			
	Sept. 8	116,570 00					
	Oct. 1	58,000 00					
	Oct. 22	60,885 00					
	Nov. 16	84,287 00					
			1,089,408 19				\$5,235,933 50

NOTE.—In some instances small amounts of notes, &c. of banks in the towns where the branches are located were included in the above remittances.

August 28, 1818.—Amount of branch notes on hand, \$1,081,194.

List of branch notes, payable to bearer, now on hand in the Bank of the United States.

New York, -	-	-	\$17,004 40	Fayetteville, -	-	-	\$37,000 00
Baltimore, -	-	-	35,000 00	Charleston, -	-	-	95,000 00
Washington, -	-	-	108,000 00	Savannah, -	-	-	46,000 00
Norfolk, -	-	-	16,000 00	Middletown, -	-	-	13,310 00
Richmond, -	-	-	34,000 00	Providence, -	-	-	3,190 00
Pittsburg, -	-	-	72,000 00	Portsmouth, -	-	-	1,510 00
Cincinnati, -	-	-	45,000 00	Boston, -	-	-	7,605 00
Lexington, -	-	-	52,000 00	Branch notes not assorted, -	-	-	69,784 00
Chillicothe, -	-	-	25,000 00	Branch notes cancelled, -	-	-	135,605 00
Louisville, -	-	-	30,000 00				
New Orleans, -	-	-	69,000 00				
							\$912,008 40

Statement of branch and post notes originally issued, payable at each office of discount and deposite of the Bank of the United States.

OFFICE.	Post.	Branch.
Portsmouth,		\$252,000 00
Boston,	\$80,000 00	368,000 00
Providence,		252,000 00
Middletown,		252,000 00
New York,	364,000 00	580,000 00
Baltimore,		872,000 00
Washington,		1,060,000 00
Richmond,		984,000 00
Norfolk,		360,000 00
Fayetteville,		428,000 00
Charleston,	230,000 00	624,000 00
Savannah,	360,000 00	1,216,000 00
Lexington,		360,000 00
Louisville,		360,000 00
Chillicothe,		420,000 00
Cincinnati,		480,000 00
New Orleans,	100,000 00	788,000 00
Pittsburg,		420,000 00
	\$1,134,000 00	10,076,000 00
		1,134,000 00
Total,	-	\$11,210,000 00

BANK OF THE UNITED STATES, December 24, 1818.

Report previous to dividend, July, 1817.

July 7, 1817.—At a meeting of the president and directors of the Bank of the United States:

The committee appointed for the purpose made the following report, which was read, and, with the resolution accompanying the same, adopted, and ordered to be entered on the minutes, viz:

The committee appointed to ascertain the dividend which, in their opinion, ought to be declared on the 7th instant, from the profits of the bank, report:

That, on examination of the subject referred to them, they find that the profits of the bank at Philadelphia, including the interest on the public debt to the 1st instant, together with the profits of the offices at Boston, New York, Baltimore, and Washington, to the 1st day of June last, amount to the sum of \$1,155,553 01; that the current expenses for salaries, stationary, &c. amount to \$66,912 33; that the expenditures for fixtures, &c. at the bank and the abovementioned offices amount to \$39,062 89; and that the expenses and compensation to the commissioners appointed to receive subscriptions to the capital stock, as far as they have been paid, amount to \$40,089 85. The two last items of expense being justly chargeable on future dividends as well as the present, the committee suggest the propriety of apportioning these sums so as to be absorbed in five years, charging each dividend with one-tenth part during that period.

The act incorporating the bank requires a bonus to be paid to the Government of \$1,500,000, in three equal instalments, the first of which will be at the expiration of two years, the second at the expiration of three years, and the third at the expiration of four years from the commencement of the business of the bank. As the whole of this sum is chargeable on the profits of the institution throughout the period of the charter, each dividend will bear its proportion, and which, on the present occasion, the committee are of opinion, ought to be the sum of \$45,000.

From these premises the committee have prepared, and respectfully submit, the statement No. 1, by which it will appear that a dividend of two dollars and sixty cents on each share of the capital stock may be declared from the profits of the bank, and leave a surplus of \$111,873 40.

The offices which are not embraced in this statement, having recently commenced their operations, could not furnish the official returns required by the ninth article of the rules for their government; but, for the satisfaction of the board, the committee have prepared, and herewith submit, a statement (No. 2) exhibiting the profits of the bank and all its offices, from the commencement of business to the 1st instant, together with the whole amount of expenses, including those of the commissioners and the necessary fixtures. By this statement it will also appear that the contemplated dividend will be fully justified.

In submitting this view of the business of the bank, your committee cannot but offer their congratulations on its prosperous situation; and observe that, notwithstanding the difficulties with which it had to contend in restoring specie payments, in equalizing exchanges, and furnishing a circulating medium founded on a specie basis throughout the Union, there has been accomplished not only the greatest benefit to the Government, by bringing into activity the immense dormant revenue which has been so long useless, but affords to the stockholders a remuneration exceeding the usual interests on the capital advanced.

The committee beg leave respectfully to submit, for the consideration of the board, the following resolution:

Resolved, That a dividend of two dollars and sixty cents, on each share of the capital stock of this bank, be made from the profits to this period; and that the same be paid to the stockholders, or their legal representatives, after the 17th instant.

ROBERT RALSTON,
JOHN BOHLEN,
GEORGE WILLIAMS,
JOHN GODDARD,

Committee, &c.

BANK OF THE UNITED STATES, July 5, 1817.

Dividend statement No. 1, July, 1817.

Statement No. 2, July, 1817.

Report previous to dividend, January, 1818.

January 5, 1818.—At a meeting of the president and directors of the bank of the United States:

The committee appointed for the purpose made the following report, which was read and adopted, and, with the statement accompanying the same, ordered to be entered on the minutes, viz:

The committee appointed to ascertain the dividend which, in their opinion, ought to be declared from the profits of the bank, for the last six months, beg leave to report:

That, on a careful investigation of the business of the bank and its offices, for the last six months, they have experienced much satisfaction; finding the result to prove much more advantageous than could have been anticipated, under the privation of so large a portion of the funded debt of the United States, which the Commissioners of the Sinking Fund required to be surrendered at its par value, agreeably to the authority granted by provisions in the charter.

The dividend statement, herewith presented, exhibits a credit of \$1,717,357 84, including the surplus of the former half year; and a debit for expenses at this bank and the different offices, of \$224,367 60, including a provision for the bonus to the Government; leaving a balance of \$1,492,990 24. To declare a dividend of four dollars on each share of the capital stock of the bank will require from this balance the sum of \$1,400,000, and consequently afford a surplus of \$92,990 24.

The committee therefore beg leave to submit the following resolution to the consideration of the board:

Resolved, That a dividend of four per cent. be declared on the capital stock of this bank, for the last six months, to be paid to the stockholders, or their legal representatives, after the 15th instant.

ROBERT RALSTON,
CHAND. PRICE,
THOMAS McEUEN,
JOHN BOLTON,

Committee.

BANK UNITED STATES, January 5, 1818.

No. 1.

Dr.

Profit and loss statement, January 5, 1818.

Cr.

Contingent expenses, office Portsmouth,	-	-	\$685 97		Balance of old account,	-	-	\$110,773 40
Contingent expenses, office Boston,	-	-	10,667 52		Discounts received at office, Portsmouth, to 30th November,	-	-	1,803 40
Contingent expenses, office Providence,	-	-	671 37		Discounts received at office, Boston,	-	-	\$43,316 22
Contingent expenses, office Middletown,	-	-	1,533 44		Interest received at office, Boston,	-	-	5,018 20
Contingent expenses, office New York,	-	-	15,226 45		Exchange received at office, Boston,	-	-	6,860 03
Contingent expenses, office Baltimore,	-	-	10,150 63		Discounts received at office, Providence,	-	-	55,194 45
Contingent expenses, office Washington,	-	-	6,291 68		Discounts received at office, Middletown,	-	-	3,363 58
Contingent expenses, office Richmond,	-	-	9,931 32		Discounts received at office, New York,	-	-	4,920 88
Contingent expenses, office Norfolk,	-	-	9,326 06		Exchange received at office, New York,	-	-	90,602 89
Contingent expenses, office Charleston,	-	-	12,481 76		Discounts received at office, Baltimore,	-	-	3,145 00
Contingent expenses, office Savannah,	-	-	10,753 19		Interest received at office, Baltimore,	-	-	93,747 89
Contingent expenses, office New Orleans,	-	-	10,802 75		Discounts received at office, Washington,	-	-	254,518 01
Contingent expenses, office Lexington,	-	-	4,872 76		Interest received at office, Washington,	-	-	10,907 56
Contingent expenses, office Cincinnati,	-	-	3,646 86		Discounts received at office, Richmond,	-	-	265,425 57
Contingent expenses, Bank United States,	-	-	37,313 52		Discounts received at office, Norfolk,	-	-	26,935 37
Interest on balances paid in New York,	-	-		\$144,355 28	Discounts received at office, Charleston,	-	-	15,119 49
Permanent expenses, office Portsmouth,	-	-	1,382 80	23,514 24	Discounts received at office, Savannah,	-	-	42,054 86
Permanent expenses, office Providence,	-	-	1,404 64		Discounts received at office, New Orleans,	-	-	67,937 44
Permanent expenses, office Middletown,	-	-	2,854 42		Discounts received at office, Lexington,	-	-	30,898 01
Permanent expenses, office New York,	-	-	2,515 31		Exchange received at office, Lexington,	-	-	41,013 43
Permanent expenses, office Norfolk,	-	-	2,819 21		Interest received at office, Lexington,	-	-	17,592 14
Permanent expenses, office New Orleans,	-	-	7,500 00		Discounts received at office, Cincinnati,	-	-	21,415 36
Permanent expenses, office Charleston,	-	-	3,739 21		Discounts received at Bank United States to January 3d,	-	-	29,164 04
Permanent expenses, office Savannah,	-	-	4,070 29		Interest received at Bank United States, viz:	-	-	34,928 50
Permanent expenses, office Lexington,	-	-	3,814 98		On funded debt, -	\$229,676 60		1,536 59
Permanent expenses, office Cincinnati,	-	-	3,000 00		On instalments to capital stock, -	40,152 77		65,629 13
Permanent expenses, Bank United States,	-	-	10,642 54		From balances of banks, -	87,755 31		47,177 20
Balance of old account of permanent expenses,	-	-	71,237 47		Exchange account at banks, -	-		471,671 82
10 per cent. on	-	-	\$114,980 87		Foreign exchange at banks, -	-		357,584 68
Bonus,	-	-		11,498 08		-		6,110 65
Dividend No. 2,	-	-		45,000 00		-		13,043 95
		Balance,		1,400,000 00				848,411 10
				92,990 24				
				\$1,717,357 84				\$1,717,357 84

No. 2.

Profit and loss statement, January 5, 1818.

Dr.	Cr.
Contingent expenses at office Portsmouth, per No. 1, Estimated to 1st January, - - - - -	\$685 97 500 00
Contingent expenses at office Boston, per No. 1, Estimated to 1st January, - - - - -	10,667 52 1,750 00
Contingent expenses at office Providence, per No. 1, Estimated to 1st January, - - - - -	671 37 500 00
Contingent expenses at office Middletown, per No. 1, Estimated to 1st January, - - - - -	1,533 44 500 00
Contingent expenses at office New York, per No. 1, Estimated to 1st January, - - - - -	15,226 45 1,750 00
Contingent expenses at office Baltimore, per No. 1, Estimated to 1st January, - - - - -	10,150 63 4,611 32
Contingent expenses at office Washington, per No. 1, Estimated to 1st January, - - - - -	6,291 68 1,225 00
Contingent expenses at office Richmond, per No. 1, Estimated to 1st January, - - - - -	9,931 32 1,600 00
Contingent expenses at office Norfolk, per No. 1, Estimated to 1st January, - - - - -	9,326 06 1,500 00
Contingent expenses at office Charleston, per No. 1, Estimated to 1st January, - - - - -	12,481 76 1,750 00
Contingent expenses at office Savannah, per No. 1, Estimated to 1st January, - - - - -	10,753 19 1,500 00
Contingent expenses at office New Orleans, per No. 1, Estimated to 1st January, - - - - -	10,802 75 1,500 00
Contingent expenses at office Lexington, per No. 1, Estimated to 1st January, - - - - -	4,872 76 1,250 00
Contingent expenses at office Cincinnati, per No. 1, Estimated to 1st January, - - - - -	3,646 86 1,000 00
Contingent expenses at Bank of United States, per No. 1, - Interest on balances paid city banks of New York, - Ten per cent. on \$114,980 87, being amount of permanent expenses, per No. 1, - Bonus, - Dividend No. 2, - Balance, - - - - -	4,646 86 37,313 52 23,514 24 11,498 08 45,000 00 1,400,000 00 216,879 62
	<u><u>\$1,862,183 54</u></u>
Discounts received at office Portsmouth, per statement No. 1, - Discounts estimated to be received at office Portsmouth, to January 1, 1818, - - - - -	\$1,803 04 1,000 00
Discounts received at office Boston, per No. 1, - - - - -	43,316 22
Exchange, &c. received at office Boston, - - - - -	11,878 23
Discounts estimated to be received at office Boston, to January 1, 1818, - - - - -	4,100 00
Discounts received at office Providence, per No. 1, - - - - -	3,363 58
Discounts estimated to be received at office Providence, to January 1, 1818, - - - - -	2,600 00
Discounts received at office Middletown, per No. 1, - - - - -	4,920 88
Discounts estimated to be received at office Middletown, to January 1, 1818, - - - - -	1,700 00
Discounts, &c. received at office New York, per No. 1, - - - - -	93,747 89
Discounts estimated to be received at office New York, to January 1, 1818, - - - - -	12,047 63
Discounts, &c. received at office Baltimore, per No. 1, - - - - -	265,425 57
Discounts estimated to be received at office Baltimore, to January 1, 1818, - - - - -	58,988 36
Discounts, &c. received at office Washington, per No. 1, - - - - -	42,054 86
Discounts estimated to be received at office Washington, to January 1, 1818, - - - - -	6,313 50
Interest estimated to be received at office Washington, to January 1, 1818, - - - - -	6,384 91
Discounts received at office Richmond, per No. 1, - - - - -	67,937 44
Discounts estimated to be received at office Richmond, to January 1, 1818, - - - - -	13,204 26
Discounts received at office Norfolk, per No. 1, - - - - -	30,898 01
Discounts estimated to be received at office Norfolk, to January 1, 1818, - - - - -	4,487 40
Discounts received at office Charleston, per No. 1, - - - - -	41,013 43
Discounts estimated to be received at office Charleston, to January 1, 1818, - - - - -	10,000 00
	<u><u>51,013 43</u></u>

No. 2—Continued.

Cr.			
Discounts received at office Savannah, per No. 1,	-	\$17,592 14	
Discounts estimated to be received at office Savannah, to January 1, 1818,	-	6,000 00	<hr/> \$23,592 14
Discounts received at office New Orleans, per No. 1,	-	21,415 36	
Discounts estimated to be received at office New Orleans, to January 1, 1818,	-	4,000 00	<hr/> 25,415 36
Discounts, &c. received at office Lexington, per No. 1,	-	65,629 13	
Discounts estimated to be received at office Lexington, to January 1, 1818,	-	9,000 00	<hr/> 74,629 13
Discounts, &c. received at office Cincinnati, per No. 1,	-	47,177 20	
Discounts estimated to be received at office Cincinnati, to January 1, 1818,	-	5.000 00	<hr/> 52,177 20
Discounts, interest, &c. at Bank of the United States, per No. 1,	-	848,411 10	
Contingent fund, (or balance of old profit and loss account,)	-	110,773 40	<hr/> \$1,962,183 54

Report previous to dividend, July, 1818.

July 6, 1818.—At a meeting of the president and directors of the Bank of the United States:

The committee appointed for the purpose made the following report, which was read, adopted, and ordered to be entered on the minutes, viz:

The committee appointed to ascertain the dividend which, in their opinion, ought to be declared of the profits of the bank for the last six months, report:

That they have carefully investigated the subject referred to them, and beg leave to lay before the board the statement of the business of the bank and its offices for the last six months; by which it will appear that the aggregate amount of credits is \$1,632,319 85, and a debt for expenses, including a provision for the bonus, amounting to \$229,907 91, and also \$86,260 57 for the expenses on the importation of specie from Thomas Wilson & Co., of London, leaving a balance of \$1,316,151 37.

The expenses under the contract (for specie) with Messrs. Baring, Brothers, & Co., and Reid, Irving, & Co., have not yet been ascertained, but it is, however, sufficiently known that the premium received on the sales of \$2,000,000 of six per cent. stock, ordered to be sold on account of the bank in London, will be sufficient to cover the premium paid by the bank on the two millions of like stock purchased on account of the Commissioners of the Sinking Fund, and the balance remaining on the dividend statement will be more than sufficient to meet the unascertained expenses on specie imported.

Your committee, therefore, beg leave to recommend the adoption of the following resolution, viz:

Resolved, That a dividend of three and one-half per cent. on the capital stock of this bank be declared for the last six months, to be paid to the stockholders, or their legal representatives, after the 16th instant.

THOMAS M. WILLING,
JOHN DONNELL,
JOHN CONNELLY,
JOHN SAVAGE,
CHANDLER PRICE.

Profit and loss statement, July 6, 1818.

Dr.	\$103,482 79
Balance of permanent expenses account, per leger, - - -	\$103,482 79
Permanent expenses at Bank of United States, January 1 to June 30, - - -	5,423 57
Permanent expenses at office, Portsmouth, January 1 to May 30, - - -	37 62
Permanent expenses at office, Boston, January 1 to May 30, - - -	295 99
Permanent expenses at office, Providence, January 1 to May 30, - - -	1,367 36
Permanent expenses at office, Middletown, January 1 to May 30, - - -	27 05
Permanent expenses at office, Baltimore, January 1 to May 30, - - -	188 57
Permanent expenses at office, Fayetteville, January 1 to May 30, - - -	800 00
Permanent expenses at office, Lexington, January 1 to May 30, - - -	202 37
Permanent expenses at office, Louisville, January 1 to May 30, - - -	2,272 72
Permanent expenses at office, Chillicothe, January 1 to May 30, - - -	3,166 35
Permanent expenses at office, Cincinnati, January 1 to May 30, - - -	1,500 00
	<hr/>
	118,764 39
	<hr/>
Ten per cent. on - - -	\$11,876 43
Current expenses, viz:	
At Bank of United States to June 30, viz:	
Salaries of officers, - - - - -	\$32,275 00
Stationary, - - - - -	2,518 25
Transportation of specie, - - - - -	1,891 66
Sundries, - - - - -	4,476 79
	<hr/>
	41,161 70
At office, Portsmouth, to May 30, - - - - -	2,835 55
At office, Boston, to May 30, - - - - -	12,208 05
At office, Providence, to May 30, - - - - -	2,364 24
At office, Middletown, to May 30, - - - - -	3,037 70
At office, New York, to May 30, - - - - -	15,917 02
At office, Baltimore, to May 30, - - - - -	16,144 59
At office, Washington, to May 30, - - - - -	6,552 42
At office, Richmond, to May 30, - - - - -	8,528 61
At office, Norfolk, to May 30, - - - - -	6,334 23
At office, Fayetteville, to May 30, - - - - -	2,084 26

STATEMENT—Continued.

1818. July 3	Cr.	\$49,964 38
Balance, per general leger, -	-	-
Discount received at Bank of United States to this day, -	-	347,138 26
Exchange received at Bank of United States to this day, -	-	4,004 31
Interest received on funded debt, -	\$202,073 54	
Interest received from banks, &c. -	24,240 65	
	226,314 19	
Discount received at office, Portsmouth, to May 30, -	-	577,456 76
Discount received at office, Boston, to May 30, -	-	7,105 69
Exchange received at office, Boston, to May 30, -	-	
Interest received at office, Boston, to May 30, -	-	
Discount received at office, Providence, to May 30, -	-	28,694 63
Discount received at office, Middletown, to May 30, -	-	12,065 68
Discount received at office, New York, to May 30, -	-	9,444 64
Exchange received at office, New York, to May 30, -	-	
Interest received at office, New York, to May 30, -	-	
Discount received at office, Baltimore, to May 30, -	-	69,043 24
Exchange received at office, Baltimore, to May 30, -	-	
Interest received at office, Baltimore, to May 30, -	-	
Discount received at office, Washington, to May 30, -	-	312,295 09
Interest received at office, Washington, to May 30, -	-	
Discount received at office, Richmond, to May 30, -	-	60,845 57
Discount received at office, Norfolk, to May 30, -	-	92,001 24
Discount received at office, Fayetteville, to May 30, -	-	40,462 74
Exchange received at office, Fayetteville, to May 30, -	-	
Discount received at office, Charleston, to May 30, -	-	12,869 17
Discount received at office, Savannah, to May 30, -	-	61,850 11
Exchange received at office, Savannah, to May 30, -	-	
Discount received at office, Lexington, to May 30, -	-	43,850 71
Exchange received at office, Lexington, to May 30, -	-	
Interest received at office, Lexington, to May 30, -	-	
Discount received at office, Louisville, to May 30, -	-	70,931 06
Exchange received at office, Louisville, to May 30, -	-	
Interest received at office, Louisville, to May 30, -	-	
Discount received at office, Chillicothe, to May 30, -	-	27,756 67
Exchange received at office, Chillicothe, to May 30, -	-	
Interest received at office, Chillicothe, to May 30, -	-	
Discount received at office, Cincinnati, to May 30, -	-	15,995 66
Exchange received at office, Cincinnati, to May 30, -	-	
Interest received at office, Cincinnati, to May 30, -	-	
Discount received at office, New Orleans, to May 30, -	-	70,655 82
Exchange received at office, New Orleans, to May 30, -	-	
Discount received at office, Pittsburg, to May 30, -	-	46,918 92
Exchange received at office, Pittsburg, to May 30, -	-	
	22,112 07	
	\$1,632,319 85	

BANK OF THE UNITED STATES, *July 6, 1818.*

Resolution directing Boston branch not to issue any other than its own notes.

May 26, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Butler, Bowne, Connelly, Price, Willing, Bohlen, Leiper, Evans, McEuen, Savage, Goddard, Fisher.

On motion,

Resolved, That the president and directors of the office of discount and deposite at Boston be informed that the cashier of that office has been instructed, by the authority of this board, not to issue from the said office the notes of this bank and its offices, (other than that at Boston;) to forbear drawing on this bank or any of its offices, unless by special authority from this bank, except for the reimbursement of such drafts as may be hereafter drawn on the said office by this bank and its offices, respectively; and to decline receiving for collection any bills or notes payable at New York, or south of New York.

Resolved, That if the operations of the foregoing regulations shall not prevent the office from being the debtor of the banks in Boston, that the directors of the said office be required to curtail the amount of bills and notes discounted, until the office shall become and remain the creditor of the said banks.

Report of the committee, July 20, 1818, recommending reduction of discounts.

July 20, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Williams, Price, Leiper, Savage, Sergeant, Evans, Connelly, Willing, McEuen, Goddard, Lippincott.

The committee appointed on the 10th instant to investigate the state of the bank, and report such measures as, in their opinion, the interest and security of the institution may require, submit the following partial report, which, with permission, it is proposed to extend in the progress of their investigation.

Upon examination, it appears that the whole of the public money which may be to the credit of the Treasurer of the United States, between this time and the 21st of October next, will, in all probability, be exhausted about that period by the current expenditure, and the redemption of a moiety of the Louisiana debt, which alone is estimated at upwards of \$5,000,000; that a statement of the debits and credits existing between the Bank of the United States and the several State banks, including the banks of public deposite, as far as the same had been ascertained on the 30th ultimo, exhibits an aggregate balance in favor of the Bank of the United States of \$4,445,663; a considerable portion of which, it is apprehended, will remain unliquidated at the period aforesaid; whilst not only the balances due to other banks by the Bank of the United States are liable at any moment to be demanded, and must be paid in specie, but experience has demonstrated that even debtor banks replenish their vaults by indirect means from those of the Bank of the United States; and that the importation of specie to supply this vast demand is not only utterly impracticable, but even to a limited extent is exceedingly precarious, and intolerably expensive, and ought not to be relied upon but in a partial degree, and on particular emergencies.

Your committee therefore recommend the adoption of the following resolutions:

1. That the reduction of the discounts at this bank, and its offices at Baltimore, Richmond, and Norfolk, be forthwith commenced, and continued at the average rate of at least twelve and a half per cent. on the amount of the income on each discount day, until the aggregate reductions shall amount to the following sums, respectively, viz:

At this bank,	-	-	-	-	-	\$2,000,000
Baltimore,	-	-	-	-	-	2,000,000
Richmond,	-	-	-	-	-	700,000
Norfolk,	-	-	-	-	-	300,000
Total,						<u>\$5,000,000</u>

and that the directors of the respective offices be requested to complete the reductions on or before the 1st day of November next, if practicable.

2. That the president be required to demand of the Bank of Columbia, at Georgetown, District of Columbia, a satisfactory assurance that the large balance which is now and has long been due from that bank to this institution be discharged, by equal instalments, in effective money, so that the whole shall be liquidated by the 15th day of October next; and that the said bank be requested to return a decisive answer with as little delay as possible.

3. That the cashier of the office at Washington city be directed to demand payment of the balances which may be due to that office by the other banks in the District of Columbia, and communicate the result to the cashier of this bank.

4. That the cashier of the office at Cincinnati be directed to demand the reduction of the balances which may be due by the State banks in that place, at the rate of at least 20 per cent. per month, until the whole shall be extinguished: the payment thereof to be made in specie, or in bills of the banks in the principal seaport towns, or in approved individual bills, endorsed by the debtor bank, and payable in any of the towns aforesaid, and not having more than ninety days to run.*

Report of the committee of directors, October 30, 1818, recommending further reductions in discounts, and calling upon offices at the South and West, and on State banks, to remit specie.

October 30, 1818.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Connelly, Bohlen, Goddard, Ralston, Evans, Coulter, Price, McEuen, Lippincott, Willing, Savage, Lisle.

The committee on the state of the bank, with reference to their reports of the 20th July and 28th August last, deem it their duty further to report:

1st. That the reductions of the bills and notes discounted at the bank and the several offices designated in the resolution of this board, on the 20th July last, are as follows:

<i>At Philadelphia.</i>	<i>At Baltimore.</i>
July 20, the am't of discounted notes was \$10,424,900	July 20, amount discounted, - - - \$9,080,500
October 26, reduced to - - - 7,913,600	October 26, reduced to - - - 7,844,300
Actual reduction, - - - - 2,511,300	Actual reduction, - - - - 1,236,200
Reduction required by resolution of July 20, 2,000,000	Required reduction, - - - - 2,000,000
The actual exceeds the required reduction 511,300	Deficiency, - - - - 763,800

* Note by the Committee of the House of Representatives.—The above resolutions were adopted by the directors.

<i>At Richmond.</i>				Actual reduction,	-	-	-	\$167,200
July 20, amount discounted, - - -				\$2,996,500	Required reduction,	-	-	300,000
October 21, reduced to - - -				2,477,400	Deficiency,	-	-	132,800
Actual reduction, - - -				519,100	Deficiency at Baltimore,	-	-	\$763,800
Required reduction, - - -				700,000	Richmond,	-	-	180,900
Deficiency, - - -				180,900	Norfolk,	-	-	132,800

<i>At Norfolk.</i>								\$1,077,500
July 20, amount discounted, - - -				\$1,420,400				
October 19, reduced to - - -				1,253,200				

That, upon investigation of the state of the bank, they find that large funds have been provided, and an extensive credit established in London, by actual funds remitted, and \$3,000,000 in the five per cent. debt of the United States pledged in the hands of the agents there, upon which bills may be drawn. That a credit has also been established in Calcutta of 1,500,000 sicca rupees, to be used as occasion may require, or relinquished without charge; that the residue of the funded debt of the United States belonging to the bank, amounting to \$393,049 12, at the prices at which the said debt was subscribed, has, by order of the board, been offered to the Secretary of the Treasury, with a view to the sale of the said stock in the market, if he shall decline taking it, which there is reason to believe he will do. That French coin, to the amount of about \$850,000, according to advices from the agents employed by the bank in London and Paris, must at this time be on its passage, of which the greater part may be hourly looked for; that an unlimited order of specie continues open at Jamaica; but that the low price of bills, the scarcity of specie at that market, and the prohibition of intercourse, forbid the expectation of aid from that quarter; and that an effort has been made, through a respectable agent, to negotiate for 3,000,000 Spanish dollars, deliverable at Vera Cruz, but without success, as permission to export the dollars could not be obtained by the individual who held them.

In comparing the means which have been provided, and those which are in a train of execution, with the heavy responsibilities of the bank, on account of the foreign portion of the Louisiana debt, the extreme delinquency and magnitude of the debts due by many of the State banks, the incessant drain of specie from the bank and its offices, and the certainty of the continuance and increase of the foreign demand, indicated by the unexampled premium paid at this time for specie, which is said to be ten per cent. on Spanish dollars, and a considerable, though less, premium on other coins, your committee are constrained to urge a steady perseverance in the curtailment of the discounts at the bank and its offices, wherever it may be found practicable and useful; a vigorous enforcement of payment of the debts due by State banks, and, in default thereof, or of a satisfactory arrangement for their gradual and certain liquidation within a reasonable time, to cease receiving, either in payment or on deposit, as cash, the notes of every such bank.

The application of the means which have been provided in London must depend upon circumstances, as the bills of the bank cannot be forced into market without materially affecting the exchange, which it is desirable to avoid; but the committee think it probable that favorable negotiations may be made, for bills in payment of the Louisiana debt, with the agents of foreign stockholders, and that the funded debt of the United States belonging to the bank, and now waiting the answer of the Secretary of the Treasury, may be applied to the same purpose; but they do not see any prospect of negotiating the bills on Calcutta, in the only way in which they would be useful to sell them, namely, for specie which may have been collected for exportation, so as not to give rise to new expeditions.

With this view of the resources and responsibilities of the institution, the committee respectfully recommend the adoption of the following resolutions:

1st. That the president be authorized and requested to order the additional sum of one million and a half of dollars, in French coin, to be shipped on account of the bank, with as little delay as possible, for the port of New York.

2d. That the branches which have not reduced their discounts, as required by the resolution of the 20th July last, be required to complete said reductions.

3d. That in addition to the reductions required by the resolution of the 20th July last, the following offices be required to reduce their discounts at the average rate of twelve and a half per cent. each discount day, until the aggregate shall amount to the following sums, viz:

At Middletown, Connecticut,	-	-	-	-	-	\$100,000
At Baltimore,	-	-	-	-	-	1,000,000
At Washington,	-	-	-	-	-	400,000
						<u>\$1,500,000</u>

4th. That the office at Charleston be directed to hold, subject to the order of the office at Savannah, \$250,000, (including the \$60,000, for which the latter now holds the check of the cashier of this bank,) to ship to this port, by the first regular packet, \$150,000 in specie, consigned to the cashier of this bank, giving timely advice for insurance; and that the president and directors of the office at Charleston be informed that, after the execution of the foregoing order, it will be expedient to regulate their discounts according to the circumstances of the office, and the extraordinary demand for specie which may be expected to prevail during the ensuing season.

5th. That the offices reciprocally refrain from drawing on each other, or upon this bank, until further orders.

6th. That the cashier of this bank be authorized and required to draw upon the cashiers of the following named offices, respectively, for the annexed sums in specie, and direct the same to be forwarded in the most secure and expeditious manner to this bank, viz:

The office at Richmond, in specie, or bills at sight on this city, New York, or Boston,	-	\$50,000
Lexington, in specie,	-	100,000
Louisville, in specie,	-	100,000
Cincinnati, in specie,	-	50,000
Pittsburg, in specie,	-	50,000
Chillicothe, in specie,	-	100,000
Fayetteville, in specie,	-	100,000
		<u>\$550,000</u>

7th. That the cashiers of all the offices of this bank be instructed to receive in payment, and on deposite, as cash, only such bank notes as are actually paid in specie on demand, within such distance as shall leave no doubt of the fact at the time of receiving any such notes, and not to credit as cash the notes of any bank which shall remain indebted to this institution after payment shall have been demanded.

8th. That when the banks at Cincinnati shall have made arrangements with the cashier of this bank for the payment of their respective debts, the cashier of the office at Cincinnati may receive the notes of any such bank as cash, provided the said bank shall thereafter pay its notes in specie on demand.*

RECAPITULATION.

Of the means comprehended in this report, exclusive of the funds in London and Calcutta, of what may be received from the debtor banks, and of the accumulation of the public depositories arising from the duties and tonnage, viz:

Specie expected soon to arrive, -	-	-	-	-	\$850,000
Deficiencies in the reductions required by the resolution of 20th July,	-	-	-	-	1,077,500
Additional reduction at the offices, as recommended,	-	-	-	-	1,500,000
Funded debt of the United States to be sold,	-	-	-	-	400,000
Additional reduction of discounts at this bank, suppose	-	-	-	-	1,000,000
Specie from Charleston,	-	-	-	\$150,000	
Specie from the seven offices as designated,	-	-	-	550,000	
Specie to be ordered from Europe,	-	-	-	-	700,000
					1,500,000
					\$7,027,500

Respectfully submitted.

W. JONES,
THOS. M. WILLING,
JOHN CONNELLY.

BANK OF THE UNITED STATES, October 30, 1818.

Answer given by the president of the New York branch as to the amount of specie required.

SIR:

NEW YORK, December 28, 1816.

I had the honor to receive your letter, with a copy of the resolution passed by the board of directors of the bank on the 16th instant, which I have, in compliance with your request, submitted to the board of directors for their consideration; the result of which is, that they deem it desirable that the capital here to commence with should not be less than \$1,500,000, viz: \$800,000 in specie, and \$700,000 in notes of the Bank of the United States. They make no account on funded debt, as they do not perceive how that can be applied to the use of the branch as active capital.

In taking a view of the revenue, they are led to believe that the amount now standing to the credit of the Government in the banks here exceeds \$3,000,000, and that the average amount hereafter in depositories may be about \$1,500,000, which, if collected and received by the branch, we might calculate on the use of \$1,000,000 in discounts, &c.; this, added to the amount of \$1,500,000, as desired, would make up the sum of \$2,500,000, which might be considered as active capital. But, from the contents of a circular from the Treasury Department, under date of the 20th instant, which has been addressed to the State banks here, and of which you have no doubt a copy, no account can at present be made by the branch bank here for any portion of the revenue until after the 1st day of July next; hence it results that the branch bank here cannot safely operate but on the capital actually received from the mother bank, including the amount of specie to be received from the commissioners who have the subscriptions, and who are to receive the second instalment, which, if paid, will probably amount to about \$300,000; the residue, of \$500,000, to make up the \$800,000, will, of course, have to be provided for in such manner and period as the circumstances of the bank and those of the country will render most convenient.

I have the honor to be, most respectfully, sir, your most obedient servant,

JOHN JACOB ASTOR,
President of the Office of Discount and Deposite.

WILLIAM JONES, Esq., President of the Bank of United States.

Opinion of counsel, and resolution prohibiting transfer of stock which had not been fully paid up.

January 24, 1817.—At a meeting of the president and directors of the Bank of the United States: Present, W. Jones, president; Messrs. Ralston, Goddard, Price, Savage, Butler, Connelly, Fisher, Girard, Bohlen, Willing, Evans, Witherell, Eyre, Leiper.

The president informed the board that he had, in pursuance of the resolution passed at the last meeting, submitted the following questions to counsel, and had received an answer, with a form of a certificate of stock, which were ordered to be entered on the minutes, viz:

1st. Is it obligatory upon the corporation to provide for the transfer of the stock of the bank prior to the completion of the shares?

2d. If it is obligatory, and the bank shall have provided for the transfers accordingly, has the board of directors the lawful authority to withhold the transfer of a certificate of stock on which a partial payment shall have been made, when a subsequent payment shall be due and unpaid?

3d. If the respective instalments shall not be paid at the time prescribed by law, has not the board of directors the lawful authority to demand the interest thereon from that time until the day of actual payment?

4th. If the authority of the board shall, in your opinion, be incompetent to the end proposed in the foregoing questions, is there any other adequate expedient within the lawful authority of the board?

* The above resolutions were adopted.

SIR:

We have given to the questions proposed in your letter of yesterday (received this day) all the consideration the limited time would admit, and we would beg you to inform the board that, during Mr. Sergeant's absence, we shall at all times be ready to confirm the reference which he has made to us in the letter of which you have furnished us an extract.

In answer to the first, we are of opinion that there is no obligation on the part of the bank to provide for the transfer of the stock prior to the completion of the shares, but it is in their power to provide for such transfer in the manner and under the conditions they may deem expedient; and we are therefore of opinion that the board may adopt a form of transfer which will confine transfers to such shares only as are not in default for any instalment. We take the liberty of handing herewith such a form.

The second question has already been answered.

In answer to the third question, we are of opinion that the board has not the authority to demand interest upon instalments in arrear. On this question we wish to be understood as expressing our present opinion, which a further consideration may alter.

In answer to the fourth question, we have already suggested the only arrangement which occurs to us for promoting the punctual payment of the instalments, viz: depriving the shareholders of the benefit of transferring any share in default.

We are, very respectfully, sir, your obedient servants,

JOS. REED,
HOR. BINNEY,
CH. CHAUNCEY.

WILLIAM JONES, Esq., *President Bank United States.*

No.

Bank of the United States of America.

This is to certify that _____ is entitled to _____ share in the capital stock of the Bank
2d instalment, due of the United States, transferable at the said bank by the said _____ or _____ attorney,
January 1, 1817. 3d instalment, due subject, nevertheless, to the third payment to become due thereon, according to the terms pre-
July 1, 1817. scribed by the charter of the said bank; in default whereof, at the time and in the manner
prescribed by the said charter, then such share shall cease to be transferable until said pay-
ments be made.

Witness the seal of the president, directors, and company of the Bank of the United States, at Phila-
delphia, the _____ day of _____, 18 ____.

The question submitted to counsel, and their opinion thereon, in respect to the transfer of stock of the bank,
upon which the respective instalments which may be due shall not have been paid at the time of any such applica-
tion to transfer, being under consideration,

On motion,

Resolved, That the officers of the bank be instructed to confine the transfers of the stock of this bank to such
shares only as are not in default for any instalment.

*Letter of Jonathan Smith, cashier, to S. Frothingham, respecting notes of the Bank of the United States received
for duties, &c.*

DEAR SIR:

BANK UNITED STATES, *December 14, 1818.*

The committee of inquiry wish to ascertain the amount of the notes of the corporation payable at this bank
and its offices of discount and deposite, severally, which have been received at the office at Boston on account of the
public revenue; also the amount of debentures, and the manner in which they have been paid.

If the data in your office will enable you to furnish the information required, you will give it retrospectively,
from the commencement of your operations, or as far back as the discrimination may be practicable.

I am, with respect, your obedient servant,

JONA. SMITH, *Cashier.*

SAMUEL FROTHINGHAM, Esq., *Cashier, Boston.*

List of notes of the Bank of the United States received for duties, &c.

DEAR SIR:

OFFICE OF DISCOUNT AND DEPOSITE, BOSTON, *December 19, 1818.*

In reply to your favor of the 14th instant, which I received yesterday, I have the honor to state that this
office commenced the collection of the public revenue on the 6th February, 1817, and from that date to the 13th
March following received on account thereof—

In notes of the Bank of the United States,	-	-	-	\$135,320 05
In notes of the Baltimore office,	-	-	-	22,800 00
Paid in debentures to last date,	-	-	-	108,598 27

On the 13th March, 1817, we commenced receiving in deposite as cash, and paying promiscuously, with the
notes of this office and the notes of the bank and several branches, and continued, with a trifling intermission, until
the 19th March, 1818; during this time we have no data by which to distinguish the amount received for the
revenue.

Debentures paid during this time, \$975,727 57.

The amount of notes of the Bank of the United States and several offices received in payment of the revenue
at this office from the 19th March, 1818, to this day, is \$1,372,474 14, as follows, viz:

Notes of the Bank of the United States,	-	-	-	\$598,429 14
Office at Baltimore,	-	-	-	97,635 00
New York,	-	-	-	156,165 00
Washington,	-	-	-	99,725 00
Richmond,	-	-	-	44,150 00
Norfolk,	-	-	-	22,230 00
Charleston,	-	-	-	36,930 00
Savannah,	-	-	-	47,130 00
Fayetteville,	-	-	-	22,540 00
New Orleans,	-	-	-	10,960 00

Office at Cincinnati,	-	-	-	-	-	\$15,310 00
Lexington,	-	-	-	-	-	8,820 00
Chillicothe,	-	-	-	-	-	1,650 00
Louisville,	-	-	-	-	-	5,280 00
Pittsburg,	-	-	-	-	-	10,640 00
Portsmouth,	-	-	-	-	-	78,380 00
Providence,	-	-	-	-	-	72,140 00
Middletown,	-	-	-	-	-	44,360 00

Debentures paid from the 19th March last to this day, \$731,892 96.

The debentures have principally been appropriated in part payment of the duties.

When payment of the debentures has been required, the bond for duties having been previously discharged during the time that the notes of the other offices were received at this as cash, such debentures have been paid in these notes, which were responded for in specie at this office, if required, and the notes of this office. Since that period, such debentures have been paid in the notes of this office.

I am, with much respect, your most obedient servant,

SAML. FROTHINGHAM, *Cashier.*

JONATHAN SMITH, Esq., *Cashier of the Bank United States.*

15th CONGRESS.]

No. 548.

[2d SESSION.

BANKS IN THE DISTRICT OF COLUMBIA.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES ON THE 20TH OF JANUARY, 1819.

SIR:

TREASURY DEPARTMENT, *January 19, 1819.*

In obedience to a resolution of the House of Representatives of the 12th instant, instructing the Secretary of the Treasury to report to the House "a statement of the debts, credits, and funds of all the banks in the District of Columbia not embraced in the terms of the resolution of the House passed the 7th instant," I have the honor to transmit herewith the original statement rendered to this Department by the said banks.

I have the honor to be, sir, your most obedient servant,

WM. H. CRAWFORD.

The Hon. the SPEAKER of the *House of Representatives.*

Dr.

State of the Bank of Washington, January 9, 1819.

Cr.

Capital paid,	-	-	\$478,980 00	Specie,	-	-	\$26,575 43
Notes in circulation,	-	-	103,068 55	Six per cent. stock,	-	-	60,154 63
Balances due to banks,	-	-	44,625 21	Bills and notes discounted,	-	-	545,332 69
Deposites,	-	-	117,218 92	Balances due by banks,	-	-	32,498 83
				Notes of other banks,	-	-	66,792 00
				Real estate,	-	-	12,539 10
			\$743,892 68				\$743,892 68

CITY OF WASHINGTON, *January 11, 1819.*

S. ELIOT, JUN., *Cashier.*

Dr.

Statement of the Bank of Columbia, January 15, 1819.

Cr.

*Capital stock paid in,	-	\$900,720 00	Bills and notes discounted, secured by endorsements,	-	\$1,139,725 47
†Balance due to Bank United States,	-	720,172 45	Bills and notes discounted, additionally secured by real estate,	-	614,799 52
Deposites,	-	152,589 06	Loans to road and canal companies,	-	75,195 60
Notes in circulation,	-	50,121 41	Real estate, consisting of the banking house, and property taken for debts and not yet disposed of,	-	88,005 99
Balances due to bank in account current,	-	99,524 84	Specie on hand,	-	42,201 66
Surplus profits and discounts,	-	140,649 42	Notes of banks on hand,	-	91,924 27
‡Treasurer U. States, special deposite,	-	519,194 37	‡Special deposite of Treasurer U. S. of notes and claims on sundry banks,	-	511,273 69
			Balance due by banks in account,	-	19,845 35
		\$2,582,971 55			\$2,582,971 55

WILLIAM WHANN, *Cashier.*

*The capital authorized by the charter from the State of Maryland is \$1,000,000, and the remaining sum of \$99,280 is payable at the pleasure of the stockholders.

†Arising from former depositories by the Treasury Department, transferred to the Bank of the United States.

‡The two items designated by this mark (‡) of special deposite, on each side of the statement, are made up of notes and claims on various and distant banks lately deposited by the Treasury Department; and the difference between the sums shows the amount as yet collected.