

Permit your memorialists to pause, and, by a view of the capital and loans of the branches of the United States' Bank, to estimate the value of this last claim on the Government.

	Capital.	Loans.
Boston,	\$700,000	\$998,859
New York,	1,800,000	4,175,847!
Baltimore,	600,000	1,349,550
Washington,	200,000	485,285
Norfolk,	600,000	880,170
Charleston,	600,000	1,409,916!
Savannah,	500,000	1,054,113
New Orleans,	300,000	611,516
	<u>\$5,300,000</u>	<u>\$10,965,256</u>

Nearly eleven millions lent on a capital of five millions three hundred thousand! A serious disappointment to men, who *expected no profit*. Republics are said to be ungrateful. We are certainly so on the present occasion.

The memorial next proceeds to associate the bank with the Government, claiming to be a necessary and indivisible part of it, showing the insufficiency of State banks to answer the dignified purposes of their institution; and, after repeating, for the tenth time, the awful calamities awaiting their dissolution, they commend the hard case of moneyed aristocracies and of rich widows and orphans, interested in their stock, to the wisdom and justice of the Legislature. They again hold up the awful terrors of "a general derangement of credit," and pray for a renewal of their charter.

Now, may it please the Congress, this bank memorial is for a grant, worth, to the stockholders, six millions, and to federalism and British influence sixty millions; and if the memorial contained the truth, there could have been no occasion of presenting it; but you, in your wisdom and superior intelligence, would have humbly petitioned David Lenox, president, and the directors and stockholders of the United States' Bank, to please to accept a renewal of their charter for eternity, or such shorter term as their honors should appoint.

But that memorial does not contain the whole truth. All its claims for services are more than balanced by enormous profits. Its threats of ruin to our establishments, in case of winding up, are balanced by the consideration, that, in their collections of *fifteen millions*, the stockholders will consult their own interest; they will not collect beyond the ability of their debtors; they will prefer the paper of State banks to private notes; and they will not press the State banks, so as to prevent their aiding the debtors of the United States' Bank. Whenever this bank shall withdraw from circulating medium its five millions in bills, it must pay for those five millions in specie, or the bills of State banks, in either of which cases the circulating medium will be restored. Whenever the deposits of more than *four millions* shall be withdrawn from its vaults, they will be either thrown into circulation, or placed in other banks. As to their being drawn from the country, let it be recollected that foreigners do not place their funds here, to remain inactive, merely because the United States' Bank is a safe place of deposite. But a portion of the deposits is by debtors of the bank, who will easily adopt a mode of transferring them in the ledger. As to the withdrawing of seven millions by foreigners, we cannot flatter ourselves with the prospect; but, if that should be the case, the Government can supply its place with paper, which will answer all the purposes of specie for all business, within our own country. We regard the repeated alarms in the memorial as not only groundless, but as a kind of threatening, ill suited to your dignity and our independence.

The bank memorial is a public declaration that the Government and People of the United States are held in duress by the memorialists, and that the continuance of our independence rests on their willingness to continue their bank operations. It contains an insulting history of favors to us, greater than their royal master ever urged upon the colonies. It declares that, in the management of the power of the purse, for twenty years, it has done every thing for us, and has rendered itself necessary to our future existence. Its silent language is, "Though we fail to conquer you by the sword, we hold you suspended by the purse strings. We demand your gratitude for such use of our funds as we have condescended to permit you to pay for; and now, if the power is to be withdrawn from us, all your establishments of commerce, finance, agriculture, and the arts, shall fall with us."

This language is not from a band of patriots, who undertook to aid the nation, in the first struggles of self-government, but of men, who, by subtlety and intercession, obtained a charter, and who have become masters of the headwaters of corruption, through the ill-placed bounty of the first Congress. Their delay to close their affairs, according to law, was not for public good, but in preparation for a sudden onset upon a short session of your honorable body. Hence their *well-timed subscriptions* to some republican presses. Hence the silence of federal presses, lest discussion should awake, in your constituents, the spirit of 1776. Hence the artificial depression of stock, *not in market*, and the petitions from interested companies and individuals crowding upon you. Hence the thronging of your avenues, and the artful sounding of every senator and member. Hence the intimations, that a million and quarter should be placed in your treasury, as a consideration for the ruin of your constituents; and hence the shameless assertion, that our President, who gained his elevation by his able opposition to the charter of the bank, and other ruinous measures, is now in favor of renewal.

The bank memorial, with its accompaniments, is an alarming commentary on the original charter. The actual depreciation of our silver and gold, by the United States' Bank, is not to be compared with the attempt to depreciate the sterling virtue and republican integrity of our people.

HENRY PHILLIPS,
JOSEPH M'CLURG,
And seventy-eight others.

BANK OF THE UNITED STATES.

COMMUNICATED TO THE SENATE, ON THE 5TH OF FEBRUARY, 1811.

SENATE CHAMBER, January 29, 1811.

SIR: The Committee of the Senate, to whom has been referred the memorial of the President and Directors of the Bank of the United States, praying for a renewal of their charter, have directed me to request you to state to the committee, whether, in your opinion, the renewal of the said charter will greatly facilitate the collection of the revenue, and promote the public welfare. In complying with this request, it is expected that you will furnish the committee with the facts and reasoning upon which your opinion has been formed, together with such information upon this subject as may be in your possession.

I am, sir, respectfully, your most obedient and very humble servant,

WM. H. CRAWFORD.

The Honorable ALBERT GALLATIN.

TREASURY DEPARTMENT, *January 30, 1811.*

SIR:

Having already, in a report to the Senate, of 2d March, 1809, expressed my opinion in favor of a renewal of the charter of the Bank of the United States, an opinion which remains unchanged, I can only add a few explanatory remarks in answer to the inquiries of the committee, as stated in your letter of yesterday.

The banking system is now firmly established; and, in its ramifications, extends to every part of the United States. Under that system, the assistance of banks appears to me necessary for the punctual collection of the revenue, and for the safe keeping and transmission of public moneys. That the punctuality of payments is principally due to banks, is a fact generally acknowledged. It is, to a certain degree, enforced by the refusal of credit at the custom house, so long as a former revenue bond, actually due, remains unpaid. But I think, nevertheless, that, in order to ensure that precision in the collection, on which depends a corresponding discharge of the public engagements, it would, if no use was made of banks, be found necessary to abolish, altogether, the credit now given on the payment of duties—a measure which would affect the commercial capital, and fall heavily on the consumers. That the public moneys are safer by being weekly deposited in banks, instead of accumulating in the hands of collectors, is self-evident. And their transmission, whenever this may be wanted, for the purpose of making payments in other places than those of collection, cannot, with any convenience, be effected, on a large scale, in an extensive country, except through the medium of banks, or of persons acting as bankers.

The question, therefore, is, whether a bank, incorporated by the United States, or a number of banks, incorporated by the several States, be most convenient for those purposes.

State banks may be used, and must, in case of a non-renewal of the charter, be used by the treasury. Preparatory arrangements have already been made to that effect; and it is believed that the ordinary business will be transacted, through their medium, with less convenience, and, in some respects, with perhaps less safety than at present, but without any insuperable difficulty. The difference, with respect to safety, results from the organization of the Bank of the United States, by which it is responsible for the money deposited in any of its branches, whilst each of the State banks, which may be employed, will be responsible only for the sums in its own hands. Thus, the Bank of the United States is now answerable for the moneys collected at New Orleans, and deposited there in its branch—a security which will be lost under a different arrangement. Nor will the United States have any other control over the manner in which the business of the banks may be conducted, than what may result from the power of withdrawing the public deposits; and they will lose that which a charter, or a dependence on the General Government for a charter, now gives over the Bank of the United States. The facility of obtaining such accommodations as may, at times be wanted, will, for the same reason, be lessened, and the national power will, to that extent, be impaired. It may be added, that, even for the ordinary business of receiving and transmitting public moneys, the use of a State bank may be forbidden by the State; and that loans to the United States are, by many of the charters, forbidden, without a special permission from the State.

As it is not perceived, on the other hand, that a single advantage will accrue to the public from the change, no reason presents itself, on the ground of expediency, why an untried system should be substituted to one under which the treasury business has so long been conducted with perfect security to the United States, and great convenience not only to the officers, but also to all those who have had payments of a public nature to make or to receive.

It does not seem necessary to advert to the particular objections made against the present charter, as these may easily be obviated by proper alterations. What has been called a National Bank, or, in other words, a new Bank of the United States, instead of the existing one, may be obtained by such alterations. The capital may be extended, and more equally distributed; new stockholders may be substituted to the foreigners, as had been suggested in the report of 2d March, 1809; and any other modifications which may be thought expedient may be introduced, without interrupting the operations of the institution now in force, and without disturbing all the commercial concerns of the country.

It, indeed, the Bank of the United States could be removed without affecting either its numerous debtors, the other moneyed institutions, or the circulation of the country, the ordinary fiscal operations of Government would not be materially deranged, and might be carried on by means of another general bank, or of State banks. But the transition will be attended with much individual, and probably with no inconsiderable public injury. It is impossible that an institution which circulates thirteen millions of dollars, and to whom the merchants owe fourteen, should terminate its operations, particularly in the present unfavorable state of the American commerce, and after the great losses lately experienced abroad, without giving a serious shock to commercial, banking, and national credit. It is not intended to overrate the extent of an evil which there are no certain data to appreciate. And, without expatiating on the fatal and unavoidable effects on individuals; without dwelling on the inconvenience of repaying, at this time, to Europe, a capital of seven millions; and without adverting to other possible dangers, of a more general nature, it appears sufficient to state that the same body of men who owe fourteen millions of dollars to the bank, owe, also, ten or twelve to the United States, on which the receipts into the treasury, for this year, altogether depend; and that, exclusively of absolute failures, it is improbable that both debts can be punctually paid at the same time. Nor must it be forgotten that the approaching non-importation will considerably lessen the efficiency of the provision, by which subsequent credits are refused to importers who have not discharged former revenue bonds. Upon the whole, a perfect conviction is felt that, in the critical situation of the country, new evils ought not to be superadded, and a perilous experiment be attempted, unless required by an imperious necessity.

In these hasty remarks, I have not adverted to the question of constitutionality, which is not a subject of discussion for the Secretary of the Treasury. Permit me, however, for my own sake, simply to state, that the bank charter having, for a number of years, been acted upon, or acquiesced in, as if constitutional, by all the constituted authorities of the nation, and thinking, myself, the use of banks to be at present necessary for the exercise of the legitimate powers of the General Government, the continuation of a bank of the United States has not, in the view which I have been able to take of the subject, appeared to me to be unconstitutional.

I have the honor to be, respectfully, sir, your obedient servant,

ALBERT GALLATIN.

HON. WILLIAM H. CRAWFORD, *Chairman in Senate.*

11th CONGRESS.]

No. 345.

[3d Session.]

ENCOURAGEMENT TO MANUFACTURES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 5, 1811.

Mr. NEWTON made the following report:

The Committee of Commerce and Manufactures, always disposed to encourage and extend the industry, agriculture, and manufactures, of the United States, beg leave to suggest the propriety and expediency of subjecting the articles specified in the subjoined resolution, to additional duties. They beg leave to refer to a report on this subject, made the 21st of June, 1809, and solicit that it may be taken as part of this.