

REPORT

FROM

THE SECRETARY OF THE TREASURY,

ON

The removal of the Public Deposites from the Bank of the United States.

DECEMBER 4, 1833.

Read, and ordered that 5,000 copies of the report, and 1,500 of the documents, be printed for the use of the Senate.

TREASURY DEPARTMENT,

December 3, 1833.

To the Honorable HUGH L. WHITE,
President pro tempore of the Senate.

SIR: In pursuance of the power reserved to the Secretary of the Treasury, by the act of Congress entitled "An act to incorporate the subscribers to the Bank of the United States," I have directed that the deposits of the money of the United States shall not be made in the said bank or branches thereof, but in certain State banks which have been designated for that purpose; and I now proceed to lay before Congress the reasons which induced me to give this order and direction.

The sixteenth section of the law above mentioned is in the following words: "And be it further enacted, that the deposits of the money of the United States in places in which the said bank and branches thereof may be established, shall be made in said bank or branches thereof, unless the Secretary of the Treasury shall, at any time, otherwise order and direct; in which case the Secretary of the Treasury shall immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reasons of such order or direction."

It has been settled by repeated adjudications that a charter granted by a State to a corporation, like that of the Bank of the United States, is a contract between the sovereignty which grants it, and the stockholders. The same principle must apply to a charter granted by the United States; and consequently the act incorporating the bank is to be regarded as a contract between the United States of the one part, and the stockholders of the other; and, by the plain terms of the contract, as contained in the section above quoted, the stockholders have agreed that the power reserved to the Secretary over the deposits shall not be restricted to any particular contingencies, but be absolute and unconditional as far as their interests are involved in the removal. The order, therefore, of the Secretary of the Treasury directing the public money to be deposited elsewhere, can in no event be regarded as a violation of the contract with the stockholders, nor impair any right secured

to them by the charter. The Treasury Department being entrusted with the administration of the finances of the country, it was always the duty of the Secretary, in the absence of any legislative provision on the subject, to take care that the public money was deposited in safe keeping in the hands of faithful agents, and in convenient places, ready to be applied according to the wants of the Government. The law incorporating the bank has reserved to him, in its full extent, the power he before possessed. It does not confer on him a new power, but reserves to him his former authority without any new limitation. The obligation to assign the reasons for his direction to deposit the money of the United States elsewhere, cannot be considered as a restriction of the power, because the right of the Secretary to designate the places of deposit was always necessarily subject to the control of Congress. And as the Secretary of the Treasury presides over one of the executive departments of the Government, and his power over this subject forms a part of the executive duties of his office, the manner in which it is exercised must be subject to the supervision of the officer to whom the constitution has confided the whole executive power, and has required to take care that the laws be faithfully executed.

The faith of the United States is, however, pledged, according to the terms of the section above quoted, that the public money shall be deposited in this bank, "unless the Secretary of the Treasury shall otherwise order and direct." And as this agreement has been entered into by Congress in behalf of the United States, the place of deposit could not be changed by a legislative act without disregarding a pledge which the legislature has given; and the money of the United States must therefore continue to be deposited in the bank until the last hour of its existence, unless it shall be otherwise ordered by the authority mentioned in the charter. The power over the place of deposit for the public money would seem properly to belong to the legislative department of the Government; and it is difficult to imagine why the authority to withdraw it from this bank was confided exclusively to the executive. But the terms of the charter appear to be too plain to admit of question. And, although Congress should be satisfied that the public money was not safe in the care of the bank, or should be convinced that the interests of the people of the United States imperiously demanded the removal, yet the passage of a law directing it to be done would be a breach of the agreement into which they have entered.

Assuming this to be the true construction of the charter to the bank, it must be the duty of the Secretary of the Treasury to withdraw the deposits of the public money from that institution whenever the change would, in any degree, promote the public interest. It is not necessary that the deposits should be unsafe, in order to justify the removal. The authority to remove is not limited to such a contingency. The bank may be perfectly solvent, and prepared to meet promptly all demands upon it—it may have been faithful in the performance of its duties—and yet the public interest may require the deposits to be withdrawn: and, as that cannot be done without the action of this department, the Secretary of the Treasury would betray the trust confided to him, if he did not cause the deposits to be made elsewhere, whenever the change would advance the public interests or public convenience. The safety of the deposits—the ability of the bank to meet its engagements—its fidelity in the performance of its obligations—are only a part of the considerations by which his judgment must be guided. The general interest, and convenience of the people, must regulate his conduct.

This principle was distinctly asserted by Mr. Crawford, when he was the Secretary of the Treasury, soon after the bank obtained its charter. In a postscript to his letter to the President of the Mechanics' Bank of New York, dated February 13, 1817, he says: "The Secretary of the Treasury will always be disposed to support the credit of the State banks, and will invariably direct transfers, from the deposits of the public money in aid of their legitimate exertions to maintain their credit. But as the proposition of the Bank of the United States excludes the idea of pressure on its part, no measure of that nature appears to be necessary at this time." Other passages in the correspondence of Mr. Crawford with the banks, about the period abovementioned, might be referred to, equally indicating the same opinion; and, at that day, no doubt seems to have been entertained of the power or of the duty of the Secretary in relation to this subject. It does not appear to have been then even suggested that the right of removal depended on the solvency of the bank, or the safety of the public money committed to its custody. On the contrary, in the passage above quoted, the superior safety of the State banks is by no means regarded as necessary to give him the right to make the transfer to them. For he declares that he will give the deposits to the State banks on account of their weakness, and to protect them from the Bank of the United States, if, by means of its superior strength, it sought to oppress them. Nor can any distinction be taken between the transfer of a part and the transfer of the whole sum remaining on deposit. The language of the charter recognizes no such distinction, and the principle asserted by Mr. Crawford would have led him to the removal of the whole amount of the public money to the State banks, if a pressure on the part of the Bank of the United States had rendered such a measure necessary in order to support the State banks in their legitimate exertions to maintain their credit.

The language of the law, therefore, and the usage and practice of the Government under it, establish the following principles:

1st. That the power of removal was intended to be reserved exclusively to the Secretary of the Treasury; and that, according to the stipulations in the charter, Congress could not direct it to be done.

2d. That the power reserved to the Secretary of the Treasury does not depend for its exercise merely on the safety of the public money in the hands of the bank, nor upon the fidelity with which it has conducted itself; but he has the right to remove the deposits, and it is his duty to remove them, whenever the public interest or convenience will be promoted by the change.

Taking these two principles as unquestionable, I proceed to state the reasons which induced me to believe that it was necessary for the interest and the convenience of the people that the Bank of the United States should cease to be the depository of the public money.

The charter of the bank will expire, according to the existing law on the subject, on the 3d of March, 1836; and, for two years after the termination of the charter, it is authorized to use the corporate name for the final settlement and liquidation of the affairs and accounts of the corporation, and for the sale and disposition of their estate, but not for any other purpose. It is the duty of the executive departments of the Government to exercise the powers conferred on them, and to regulate the discretion confided to them, according to the existing laws, and they cannot be allowed to speculate on the chances of future changes by the legislative authority. Perhaps there

may be cases in which the discretion vested in an executive department might, with propriety, be in some degree influenced by the expectation of future legislation; but they must be cases in which the principles of justice, or the public interests, manifestly call for an alteration of the law; or where some expression of the public opinion has strongly indicated that a change will probably be made. But where nothing of this kind exists, an executive officer of the Government is not authorized to regulate a discretion which the law has entrusted to him, upon the assumption that the law will be changed.

In deciding upon the course which it was my duty to pursue in relation to the deposits, I did not feel myself justified in anticipating the renewal of the charter on either of the abovementioned grounds. It is very evident that the bank has no claim to renewal, founded on the justice of Congress; for, independently of the many serious and insurmountable objections which its own conduct has furnished, it cannot be supposed that the grant to this corporation of exclusive privileges, at the expense of the rest of the community, for twenty years, can give it a right to demand the still further enjoyment of its profitable monopoly. Neither could I act upon the assumption that the public interest required the recharter of the bank, because I am firmly persuaded that the law which created this corporation, in many of its provisions, is not warranted by the constitution, and that the existence of such a powerful moneyed monopoly is dangerous to the liberties of the people, and to the purity of our political institutions.

The manifestations of public opinion, instead of being favorable to a renewal, have been decidedly to the contrary; and I have always regarded the result of the last election of President of the United States as the declaration of a majority of the people, that the charter ought not to be renewed. It is not necessary to state here what is now a matter of history. The question of the renewal of the charter was introduced into the election by the corporation itself. Its voluntary application to Congress for the renewal of its charter four years before it expired, and upon the eve of the election of President, was understood, on all sides, as bringing forward that question for incidental decision at the then approaching election. It was accordingly argued on both sides, before the tribunal of the people, and their verdict pronounced against the bank by the election of the candidate who was known to have been always inflexibly opposed to it.

Under these circumstances, I could not have been justified, upon either of the grounds abovementioned, in anticipating any change in the existing laws, in relation to the bank; and as the act of Congress which created the corporation, limits its duration to the third of March, 1836, it became my duty, as Secretary of the Treasury, in executing the trust confided to me under the law, to look to that period of time as the termination of its corporate existence. I had no sufficient grounds for presuming that the law would be altered in this respect by future legislation, and a new charter be granted to the bank. It was therefore incumbent upon men in discharging my official duties, to act upon the assumption that this corporation would not continue in being after the time above specified. And in this state of things, without any reference to the manner in which the bank has conducted itself, it became necessary to decide whether the deposits ought to remain in the bank until the end of its corporate life, or be removed at some earlier period. In forming my opinion on this subject, I could only inquire, which of these measures would most conduce to the public good.

It is obvious that the interests of the country would not be promoted by

permitting the deposits of the public money to continue in the bank until its charter expired. Judging from the past, it is highly probable that they will always amount to several millions of dollars. It would evidently produce serious inconvenience, if such a large sum were left in possession of the bank until the last moment of its existence, and then be suddenly withdrawn, when its immense circulation is returning upon it to be redeemed, and its private depositors removing their funds into other institutions. The ability of the bank, under such circumstances, to be prompt in its payments to the Government, may be well doubted, even if the ultimate safety of the deposits could be relied upon. Besides the principal circulating medium now in the hands of the people, and the one most commonly used in the exchanges between distant places, consists of the notes of the Bank of the United States and its numerous branches. The sudden withdrawal of its present amount of circulation, or its sudden depreciation before any other sound and convenient currency was substituted for it, would certainly produce extensive evils, and be sensibly felt among all classes of society.

It is well understood, that the superior credit heretofore enjoyed by the notes of the Bank of the United States was not founded on any particular confidence in its management or solidity. It was occasioned altogether by the agreement on behalf of the public, in the act of incorporation, to receive them in all payments to the United States; and it was this pledge on the part of the Government which gave general currency to notes payable at remote branches. The same engagement in favor of any other moneyed institution would give its notes equal credit, and make them equally convenient for the purposes of commerce. But this obligation on the part of the United States, will cease on the third of March, 1836, when the charter expires; and as so soon as this happens, all the outstanding notes of the bank will lose the peculiar value they now possess, and the notes payable at distant places become as much depreciated as the notes of local banks. And if, in the mean time, no other currency is substituted in its place by common consent, it is easy to foresee the extent of the embarrassment which would be caused by the sudden derangement of the circulating medium. It would be too late, at that time, to provide a substitute which would ward off the evil. The notes of the Bank of the United States in circulation on the second of September last, which was the date of the latest return before me when the order for removal was given, amounted to \$18,413,287 07, scattered in every part of the United States: and if a safe and sound currency were immediately provided, on the termination of the charter, to take the place of these notes, it would still require time to bring it into general use, and in the interim the people would be subjected to all the inconveniences and losses which necessarily arise from an unsound state of the currency. The evil would be so great, and the distress so general, that it might even compel Congress, against its wishes, to recharter the bank; and perhaps more effectual means could hardly be devised for insuring the renewal of the charter. It is evident, that a state of things so much to be deprecated can only be avoided by timely preparation; and the continuance of the deposits can only be justified by the determination to renew the charter. The State banks can, I have no doubt, furnish a general circulating medium, quite as uniform in value as that which has been afforded by the Bank of the United States—probably more so. For it is well known that, in some of the cities, the branches of the bank have been in the habit, whenever they thought proper, of refusing to honor the notes of

their own bank, payable at other branches, when they were not offered in discharge of a debt due to the United States. But a currency founded on the notes of State banks could not be suddenly substituted for that heretofore furnished by the Bank of the United States, and take the place of it, at the same moment, in every part of the Union. It is essential that the change should be gradual; and sufficient time should be allowed to suffer it to make its way by the ordinary operations of commerce, without requiring a hasty and violent effort.

In this view of the subject, it would be highly injudicious to suffer the deposits to remain in the Bank of the United States until the close of its corporate existence: and as they cannot be withdrawn without the action of the Secretary of the Treasury, it must unavoidably become his duty, at some period of time, to exercise the power of removal. Laying aside, therefore, for the present, all the considerations which the misconduct of the bank has furnished, the question presented to this department was, how long could the removal be delayed consistently with the public interests? It is a question of *time* only. The duty must be performed at some period, and could not be altogether omitted, without justly incurring a heavy responsibility to the community for all the consequences that might follow: and it is, I think, apparent that the measure was delayed as long as was compatible with the interests of the people of the United States.

The monthly statement of the bank of the second of September last, before referred to, shows that the notes of the bank and its branches, then in circulation, amounted to \$18,413,287 07, and that its discounts amounted to the sum of \$62,653,359 59. The immense circulation above stated, pervading every part of the United States, and most commonly used in the business of commerce between distant places, must all be withdrawn from circulation when the charter expires. If any of the notes then remain in the hands of individuals, remote from the branches at which they are payable, their immediate depreciation will subject the holders to certain loss. Those payable in the principal commercial cities would, perhaps, retain nearly their nominal value; but this would not be the case with the notes of the interior branches, remote from the great marts of trade. And the statements of the bank will show that a great part of its circulation is composed of notes of this description. The Bank would seem to have taken pains to introduce into common use such a description of paper as it could depreciate or raise to its par value, as best suited its own views; and it is of the first importance to the interests of the public, that these notes should all be taken out of circulation before they depreciate in the hands of the individuals who hold them; and they ought to be withdrawn gradually, and their places supplied as they retire, by the currency which will become the substitute for them. How long will it require for the ordinary operations of commerce, and the reduction of discounts by the bank, to withdraw the amount of circulation before-mentioned, without giving a shock to the currency, or producing a distressing pressure upon the community? I am convinced that the time which remained for the charter to run, after the first of October, (the day on which the first order for removal took effect,) was not more than was proper to accomplish the object with safety to the community; and if it had depended upon my judgment at an earlier period, I should have preferred, and should have taken a longer time. Enough, however, is yet left, provided no measures are adopted by the bank for the purpose of inflicting unnecessary suffering upon the country. Apart, there-

fore, from any considerations arising out of the conduct of the bank, and looking merely to the near approach of the day when it would cease to exist, the withdrawal of the deposits appeared to be required by the public interest, at the time when the first order for removal was given by this department.

This opinion is confirmed by the ground taken in favor of the renewal of the charter at December session, 1831. It was then urged that the short period which yet remained of its corporate existence, and the necessity of preparing to wind up its concerns, if the charter was not to be renewed, made it proper that the question should at once be decided. Very little more than half of that time yet remains. And although I do not concur in the opinions then expressed, and believe that the application was ill-timed and premature, yet the arguments then relied on by many, whose judgment is entitled to respect, affords strong grounds for concluding that the measure now adopted is not objectionable on the score of time; and that, if the deposits were not to continue in the bank until the termination of its charter, their withdrawal could not with propriety be longer delayed.

There is, however, another view of this subject which, in my opinion, made it impossible further to postpone the removal. About the first of December, 1832, it had been ascertained that the present Chief Magistrate was re-elected, and that his decision against the bank had thus been sanctioned by the people. At that time the discounts of the bank amounted to \$61,571,625 66. Although the issue which the bank took so much pains to frame had now been tried, and the decision pronounced against it, yet no steps were taken to prepare for its approaching end: on the contrary, it proceeded to enlarge its discounts, and, on the 2d of August, 1833, they amounted to \$64,160,349 14, being an increase of more than two and a half millions in the eight months immediately following the decision against them; and so far from preparing to arrange its affairs with a view to wind up its business, it seemed from this course of conduct to be the design of the bank to put itself in such an attitude, that, at the close of its charter, the country would be compelled to submit to its renewal, or to bear all the consequences of a currency suddenly deranged, and also a severe pressure for the immense outstanding claims which would then be due to the corporation. While the bank was thus proceeding to enlarge its discounts, an agent was appointed by the Secretary of the Treasury to inquire upon what terms the State banks would undertake to perform the services to the Government which have heretofore been rendered by the Bank of the United States; and also to ascertain their condition in four of the principal commercial cities, for the purpose of enabling this department to judge whether they would be safe and convenient depositories for the public money. It was deemed necessary that suitable fiscal agents should be prepared in due season; and it was proper that time should be allowed them to make arrangements with one another, throughout the country, in order that they might perform their duties in concert, and in a manner that would be convenient and acceptable to the public. It was essential that a change so important in its character, and so extensive in its operation upon the financial concerns of the country, should not be introduced without timely preparation. There was nothing in this proceeding, nor in the condition of the bank, which should at that time have produced a sudden and entire change of its policy; for, in addition to the ordinary receipts from bonds given on account of previous importations, the season was at hand when the cash

duties on woollens might well be expected to be very productive, and from these two sources the receipts from the customs were in fact unusually large, and the amount of the public deposits in the bank proportionably heavy. The capacity of the bank, therefore, at this time, to afford facilities to commerce, was not only equal, but greatly superior to what it had been for some time before; and the nature of the inquiry made of the State banks, confined as it was to the four principal commercial cities, showed that the immediate withdrawal of the entire deposits from the bank so as to distress it, was not contemplated: and if any apprehensions to the contrary were felt by the bank, an inquiry at this department would, no doubt, have been promptly and satisfactorily answered. And certainly it was the duty of the bank, before it adopted a course oppressive to the whole country, to be sure of the ground on which it acted. It can never be justified for inflicting a public injury, by alleging mistaken opinions of its own, when the means of obtaining information absolutely certain were so obviously within its reach. The change was always designed to be gradual, and the conduct of the bank itself has since compelled me to remove a portion of the deposits earlier than was originally intended. There was nothing, therefore, in the inquiry before mentioned, nor in the views of the Executive Department, nor in the condition of the bank, which justified a sudden and oppressive change of its policy.

The situation of the mercantile classes also rendered the usual aids of the bank more than ever necessary to sustain them in their business. Their bonds for previous importations were, as before stated, constantly becoming due, and heavy cash duties were almost daily to be paid. The demands of the public upon those engaged in commerce were consequently unusually large, and they had a just claim to the most liberal indulgence from the fiscal agent of the Government, which had, for so many years, been reaping harvests of profits from the deposits of the public money. But the bank about this time changed its course. By the monthly statements of the bank, dated 2d August, 1833, it appears that its loans and domestic bills of exchange, purchased and on hand, amounted to - \$64,160,349 14

By the monthly statement of the 2d September, 1833, they appear to have been - 62,653,359 59

By that of the 2d of October, 1833, they were - 60,094,202 93

Reduction in two months - - - - - 4,066,146 21

By the same paper it appears that the public deposits, including those for the redemption of the public debt, the Treasurer's, and those of the public officers, were, in

August | - - - - - \$7,599,931 47

September - - - - - 9,182,173 18

October - - - - - 9,868,435 58

Increase of the public deposits in two months - - - \$2,268,504 11

Total amount collected from the community - - - 6,334,650 39

Thus upwards of six millions of dollars were withdrawn from the business of the country by the Bank of the United States in the course of two months. This of itself must have produced a pressure on the money market, affecting all commercial transactions. But the curtailment in the bank

accommodations of the community was much larger. The policy adopted by the Bank of the United States compelled the State banks to take the same course in self-defence; and the Bank of the United States appears to have resorted to the expedient of drawing from the State banks the balances due in specie, and to have hoarded up the article in its own vaults.

In August, 1833, that bank had in specie	-	-	-	\$10,023,677	38	
September	-	-	-	10,207,649	20	
October	-	-	-	10,663,441	51	
Showing an increase of specie in two months of				-	<u>\$639,764</u>	<u>13</u>

This sum, it is believed, was chiefly drawn from the State banks. To fortify themselves, those banks were compelled to call on their debtors, and curtail their accommodations; and so large a proportion of these calls are always paid in their own notes, that, to obtain \$100,000 in specie, they are probably obliged to call for four or five times that amount. To replace the specie taken from them by the Bank of the United States, and to provide for their own safety, the State banks, therefore, must have curtailed from two to three millions of dollars. On the whole, it is a fair estimate that the collections from the community, during these two months, without any corresponding return, did not fall much short of nine millions of dollars. As might have been expected, complaints of a pressure upon the money market were heard from every quarter. The balances due from the State banks had, during the same time, increased from \$368,969 98 to \$2,288,573 19, and, from the uncertain policy of the bank, it was apprehended they might suddenly be called for in specie. The State banks, so far from being able to relieve the community, found themselves under the necessity of providing for their own safety.

A very large proportion of the collections of the bank in August and September were in Philadelphia, New York, and Boston.

In August and September the curtailment in Philadelphia	was	-	-	-	\$195,548	69
Increase of public deposits	-	-	-	-	646,846	80
Actual collections by the bank	-	-	-	-	<u>\$842,395</u>	<u>49</u>
Increase of public deposits in New York	-	-	-	-	\$1,396,597	24
Deduct increase of loans	-	-	-	-	331,295	38
Actual collections by the bank	-	-	-	-	<u>\$1,065,301</u>	<u>86</u>
Curtailement in Boston was	-	-	-	-	\$717,264	45
Increase of public deposits	-	-	-	-	48,069	88
Actual collections by the bank	-	-	-	-	<u>\$765,334</u>	<u>33</u>
Total collections in the three cities	-	-	-	-	<u>\$2,673,031</u>	<u>68</u>

It will be perceived that it was solely through the increase of the public deposits that the bank raised balances against the State banks in New York, and was placed in a situation to take from them, at its pleasure, large sums in specie. And when it is considered that those curtailments and collections

of the Bank of the United States necessarily compelled the State banks to curtail also, we shall be at no loss to perceive the cause of the pressure which existed in the commercial cities about the end of the month of September. It was impossible that the commercial community could have sustained itself much longer under such a policy. In the two succeeding months, the collections of the bank would probably have exceeded five millions more, and the State banks would have been obliged to curtail in an equal sum. The reduction of bank accommodations to the amount of nineteen millions of dollars in four months, must have almost put an end to trade; and before the first of October this pressure in the principal commercial cities had become so intense that it could not have been endured much longer without the most serious embarrassments. It was then daily increasing, and, from the best information that I have been able to obtain, I am persuaded that, if the public moneys received for revenue had been continued to be deposited in the Bank of the United States for two months longer, and it had adhered to the oppressive system of policy which it pursued during the two preceding months, a wide-spread scene of bankruptcy and ruin must have followed. There was no alternative, therefore, for the Treasury Department but to act at once, or abandon the object altogether. Duties of the highest character would not permit the latter course, and I did not hesitate promptly to resort to the former.

I have stated the condition of the mercantile classes at the time of the removal, to explain why it was impossible to postpone it even for a short period. Under other circumstances, I should have been disposed to direct the removal to take effect at a distant day, so as to give Congress an opportunity of prescribing, in the mean time, the places of deposite, and of regulating the securities proper to be taken. It is true that the power given to the Secretary of the Treasury to remove the deposits from the Bank of the United States necessarily carries with it the right to select the places where they shall afterwards be made. The power of removal cannot be exercised without placing them elsewhere; and the right to select is therefore contained in the right to remove. It is also true that, in my judgment, as has been already stated, the public interest would have been advanced if the change had taken place at an earlier period. Yet as a few months would, in ordinary times, have made no very serious difference, and the removal had already been delayed until the meeting of Congress was approaching, I should have preferred executing the measure in a manner that would have enabled the legislature to act on the subject in advance of the actual removal, if it had deemed it proper to do so. But the conduct of the bank left me no choice, except between the immediate removal and its final relinquishment; for if the measure had been then suspended, to be resumed at a future time, it was in the power of the bank to produce the same evil whenever it was again attempted. Putting aside, therefore, from the view of the subject which I am now presenting, all the inducements which grew out of the misconduct of the bank, and regarding only its approaching end, and the intensity of the pressure it was then producing, no further delay was admissible.

The facts and reasons above stated appear to have established the following propositions:

1st. It was the duty of this department not to act upon the assumption that the legislative power would hereafter change the law in relation to the Bank of the United States, and it was bound to regulate its conduct upon

the principle that the existence of this corporation would terminate on the 3d of March, 1836.

2d. The public interest required that the deposits of public money should not continue to be made in the Bank of the United States until the close of its existence, but should be transferred to some other place, at some period prior to that time.

3d. The power of removal being reserved exclusively to the Secretary of the Treasury, by the terms of the charter, his action was necessary in order to effect it; and the deposits could not, according to the agreement made by Congress with the stockholders, have been removed by the legislative branch of the Government until the charter was at an end.

4th. The near approach of the time when the charter would expire, as well as the condition of the mercantile community, produced by the conduct of the bank, rendered the removal indispensable at the time it was begun; and it could not have been postponed to a later day without injury to the country.

Acting on these principles, I should have felt myself bound to follow the course I have pursued in relation to the deposits, without any reference to the misconduct of the bank; but there are other reasons for the removal, growing out of the manner in which the affairs of the bank have been managed, and its money applied, which would have made it my duty to withdraw the deposits at any period of the charter.

It will, I presume, be admitted on all hands, that the bank was incorporated in order to create an useful and convenient public agent to assist the Government in its fiscal operations. The act of incorporation was not designed merely as an act of favor to the stockholders, nor were exclusive privileges given to them for the purpose of enabling them to obtain political power, or to amass wealth at the expense of the people of the United States. The motive for establishing this vast monopoly was the hope that it would conduce to the public good. It was created to be the agent of the public, to be employed for the benefit of the people; and the peculiar privileges and means of private emolument given to it by the act of incorporation, were intended as rewards for the services it was expected to perform. It was never supposed that its own separate interest would be voluntarily brought into collision with those of the public; and still less was it anticipated that it would seek, by its money, to obtain political power, and control the action of the Government either by the favors it can shower, or the fear of its resentment. Its duty was simply that of an agent, bound to render certain services to its principal in consideration of the advantages granted to it; and, like every other public agent or officer, its own separate interests were subordinate to its duty to the public. It was bound to consult the general good rather than its private emolument, if they should happen to come into conflict with one another. If, therefore, it sought to obtain political power, or to increase its gains by means which would probably bring distress on the community, it violated its duty, and perverted to the public injury the powers which were given to be used for the public good; and, in such an event, it was the duty of the public servants, to whom the trust was reserved, to dismiss it, so far as might lawfully be done, from the agency it had thus abused.

Regarding the bank, therefore, as the agent of the United States, and bound by the duties, and liable to the obligations which ordinarily belong to the relation of principal and agent, except where the charter has otherwise

directed, I proceed to state the circumstances which show that it had justly forfeited the confidence of the Government, and that it ought not to have been further trusted as the depository of the public money.

The United States, by the charter, reserved the right of appointing five directors of the bank. It was intended by this means not only to provide guardians for the interests of the public in the general administration of its affairs, but also to have faithful officers, whose situation would enable them to become intimately acquainted with all the transactions of the institution; and whose duty it would be to apprise the proper authorities of any misconduct on the part of the corporation, likely to affect the public interest. The fourth fundamental article of the constitution of the corporation, declares that not less than seven directors shall constitute a board for the transaction of business. At these meetings of the board, the directors on the part of the United States had, of course, a right to be present; and consequently, if the business of the corporation had been transacted in the manner which the law requires, there was abundant security that nothing could be done injuriously affecting the interests of the people, without being immediately communicated to the public servants, who were authorized to apply the remedy. And if the corporation has so arranged its concerns as to conceal from the public directors some of its most important operations, and has thereby destroyed the safeguards which were designed to secure the interests of the United States, it would seem to be very clear that it has forfeited its claim to confidence, and is no longer worthy of trust. In the ordinary concerns of life among individuals, no prudent man would continue to place his funds in the hands of an agent after he discovered that he was studiously concealing from him the manner in which they were employed. The public money ought not to be guarded with less vigilance than that of an individual; and measures of concealment, on the part of this corporation, are not only contrary to the duties of its agency, but are also in direct violation of the law to which it owes its corporate existence. And the same misconduct which, in the case of private individuals, would induce a prudent man to dismiss an agent from his employment, would require a similar course towards the fiscal agent of the Government by the officer to whom the law has entrusted the supervision of its conduct, and given the power of removal.

Tried by these principles, it will be found that the conduct of the bank made it the duty of the Secretary of the Treasury to withdraw from its care the public funds.

1st. Instead of a board constituted of at least seven directors, according to the charter, at which those appointed by the United States have a right to be present, many of the most important money transactions of the bank have been, and still are, placed under the control of a committee denominated the exchange committee, of which no one of the public directors has been allowed to be a member since the commencement of the present year. This committee is not even elected by the board, and the public directors have no voice in their appointment. They are chosen by the president of the bank; and the business of the institution which ought to be decided on by the board of directors, is, in many instances, transacted by this committee, and no one has a right to be present at their proceedings but the president, and those whom he shall please to name as members of this committee. Thus loans are made, unknown at the time to a majority of the board, and paper discounted, which might probably be rejected at a regular meeting of

the directors. The most important operations of the bank are sometimes resolved on and executed by this committee; and its measures are, it appears, designedly, and by regular system, so arranged as to conceal from the officers of the Government transactions in which the public are deeply involved. And this fact alone furnishes evidence too strong to be resisted, that the concealment of certain important operations of the corporation from the officers of the Government, is one of the objects which is intended to be accomplished by means of this committee. The plain words of the charter are violated in order to deprive the people of the United States of one of the principal securities which the law had provided to guard their interests, and to render more safe the public money entrusted to the care of the bank. Would any individual of ordinary discretion continue his money in the hands of an agent who had violated his instructions, for the purpose of hiding from him the manner in which he was conducting the business confided to his charge? Would he continue his property in his hands, when he had not only ascertained that concealment had been practised towards him, but when the agent avowed his determination to continue in the same course, and to withhold from him, as far as he could, all knowledge of the manner in which he was employing his funds? If an individual would not be expected to continue his confidence under such circumstances, upon what principle could a different line of conduct be required from the officers of the United States charged with the care of the public interests? The public money is surely entitled to the same care and protection as that of an individual; and if the latter would be bound, in justice to himself, to withdraw his money from the hands of an agent thus regardless of his duty, the same principle requires that the money of the United States should, under the like circumstances, be withdrawn from the hands of their fiscal agent; and as the power of withdrawal was confided to the Secretary of the Treasury, it was his duty to remove it on this ground alone, if no other cause of complaint had existed against the bank. The conduct of the bank in relation to the three per cent. stock of the United States is a memorable instance of the power exercised in secret by the exchange committee, and the abuses to which it is incident. The circumstances attending that transaction have been so fully laid before Congress and the public, that it is useless to repeat them here. It was a case in which this committee not only managed, in secret, a moneyed transaction of vast amount intimately connected with the interests of the people of this country, but one where the measures of the Government were thwarted by the bank, and the nation compelled to continue for a time liable for a debt which it was ready, and desired to extinguish. Nor is this the only measure of the kind which has come officially to my knowledge. I have the honor to present, herewith, a report made by three of the public directors to the President of the United States, on the 22d of April, 1833, (marked A,) in which, in compliance with his request that they would communicate to him such information as was within their personal knowledge relative to these unusual proceedings of the board of directors, they disclose the exceptionable manner in which the power conferred by law on the board has been surrendered to the exchange committee; that this has been done evidently with the design of preventing a proper and contemplated examination into the accounts of persons whose paper was offered for discount; that a minority of the board, apparently sufficient to have prevented the loan if the security was bad, were deprived of their votes upon the question; and that the long established by-laws of the

institution were set aside for the purpose of carrying these designs into effect with less difficulty or embarrassment.

If proceedings like this, are sanctioned by the constituted authorities of the United States, the appointment of directors on their part is an idle ceremony, and affords no safeguard to the public treasure in the custody of the bank; and even legislative enactments in relation to this corporation are but of little value, if it may, at its pleasure, disregard one of the fundamental articles of its constitution, and transfer to a secret committee the business which, by law, ought to be transacted by the board.

It is scarcely necessary, in presenting this document to the consideration of Congress, to notice an objection which has been sometimes put forward against the publication of any proceedings which relate to the accounts of private individuals. The circumstances detailed are the regular and official transactions of the board of directors, nor do they involve the private debtor and creditor account of persons dealing with the bank, which is alone included in the distinction taken by the charter in regard to private accounts. If the argument thus brought forward were a sound one, there could be no such thing as an examination of any value into the conduct of the bank; because the business of the bank, being with individuals, its misconduct could never be shown without bringing before the public the individual transaction in which the conduct of the bank was impeached. And if it could make good the position that such proceedings are never to be exposed to the public, because individuals are concerned in them, it would effectually shut out all useful examination, and be enabled to apply its money to the most improper purposes, without detection or exposure. When its conduct is impeached, on the ground that it has used its great money power to obtain political influence, the investigation of the charge is, in its very nature, an inquiry into its transactions with individuals. And, although the accounts brought forward on such occasions may be the accounts of individuals, yet they are also the accounts of the bank, and show its conduct; and, being the fiscal agent of the Government, with such immense power to be exercised for good or for evil, the public safety requires that all of its proceedings should be open to the strictest and most rigorous scrutiny. Its character may be forfeited by its misconduct, and would be justly forfeited if it sought to obtain political influence in the affairs of the nation; and yet such attempts on the part of the bank can never be proved, except by the examination and disclosure of its dealings with individuals.

2d. It is not merely by its concealments that the bank has proved itself regardless of the duties of its agency: its own interests will be found to be its ruling principle, and the just claims of the public to be treated with but little regard, when they have come into collision with the interests of the corporation. This was but too plainly the case in the affair of the three per cents. above mentioned. A recent instance proves that its rule of action is not changed in this respect; and the failure of the French Government to pay the bill drawn for the first instalment due by the treaty, has been made the occasion of endeavoring to obtain from the public the sum of \$158,842 77, to which no principle of justice appears to entitle it. The money for which the bill was sold remained in the bank. The expenses it incurred were of small amount, and these the Government are willing to pay; but the corporation, not content with the profits it was deriving from the millions of public money then in its vaults, and which it was daily using in its discounts, endeavors to convert the public disappointment into a gain-

ful transaction for itself; and demands the large sum abovementioned, without pretending that it sustained any loss or inconvenience commensurate with the amount it seeks to obtain from the Government. The fiscal agent of the public attempts to avail itself of the unexpected disappointment of the principal, for the purpose of enhancing its own profits, at the expense of the community.

3d. There is sufficient evidence to prove that the bank used its means with a view to obtain political power, and thereby secure the renewal of its charter.

The documents which have been heretofore laid before Congress, and are now on its files, will show that on the 31st of December, 1830, the aggregate debt due to the bank was \$42,402,304 24, and that on the 31st of December, 1831, it was \$63,026,452 93, being an extension of its loans in a single year of twenty millions of dollars, and an increase of nearly fifty per cent, on its previous accommodations. And, as if to leave no room to doubt as to the motive of this extraordinary conduct, it continued to add rapidly to its loans; and, on the 1st of May, 1832, while its petition for the renewal of its charter was yet pending before Congress, they amounted to \$70,428,070 72, being an increase of \$7,401,617 79 in the four preceding months; and making altogether an addition of \$28,025,766 48 in the short space of sixteen months, and being an extension of more than 66 per cent. on its previous loans. Such an increase, at such a period of its charter, is without example in the history of banking institutions. On the 31st of December, 1830, when its loans amounted, as above stated, to only \$42,402,304 24, the corporation had been in existence fourteen years. The sudden and great increase was made when the charter was drawing to a close, and when it had but little more than four years to run. It cannot be supposed that these immense loans were made from a confident expectation that the charter would be renewed. On the contrary, it is now an historical fact, that the bank itself deemed the chances of renewal so doubtful, that, in the session of Congress beginning in December, 1831, it petitioned for a re-charter, and the reason generally assigned for pressing for a decision at that time, was the great extent of its business, and the necessity of preparing to bring it to a close if the charter was not to be renewed. Thus, with but little more than four years to run, with doubtful chances of renewal, and aware of the necessity of beginning to arrange its vast transactions, it increases its loans in sixteen months more than twenty-eight millions of dollars. Was this imprudence only? It cannot be believed that those who managed its concerns could have committed such an oversight. Can any proper reason be assigned for this departure from the course which the interests of a moneyed corporation, as well as those of the country, obviously required? I am not aware that any sufficient justification has been offered. And this extraordinary increase of its loans, made in so short a space of time, at such a period of its charter, and upon the eve of a severely contested election of President, in which the bank took an open and direct interest, demonstrates that it was using its money for the purpose of obtaining a hold upon the people of this country, in order to operate upon their fears, and to induce them, by the apprehension of ruin, to vote against the candidate whom it desired to defeat. In other words, this great moneyed corporation determined to enter the political arena, and to influence the measures of the Government, by causing its weight to be felt in the election of its officers.

But if the circumstances above stated were not of themselves suffi-

ent to prove that the bank had sought, by its money, to obtain political power, and to exercise by that means a controlling influence on the measures of the Government, recent developments have furnished such proof as to leave no room for doubt. I have the honor to transmit, herewith, an official statement (marked B) signed by four of the public directors of the bank, showing, at the same time, the unlawful manner in which its business is conducted, and the unwarrantable purposes to which its money has been, and still is, applied. It will be seen by the proceedings therein stated, that the whole capital of the bank is, in effect, placed at the disposition of the president of that institution. He is authorized to expend what he pleases in causing "to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the bank;" and he may therefore, under the very indefinite terms of the resolutions, employ as many persons as he pleases, at such salaries as he thinks proper, either to prepare daily paragraphs for newspapers in favor of the bank, or to write pamphlets and essays to influence the public judgment. And he may even provide for the publications, by salaries to printers, or by purchasing presses and types, and placing them in the hands of agents employed and paid by the bank. There is no limitation, short of the capital of the bank, as to the sum of money he may thus expend in different parts of the United States. From the description of articles which appear to have been paid for under this resolution, it seems that the president of the institution has supposed that publications containing attacks upon officers of the Government who are supposed to stand in the way of the renewal of the charter, is one of the modes of "communicating to the people information in regard to the nature and operations of the bank." This construction was, it appears, approved by the board, as they continued the authority in his hands, unchanged, after the manner in which a portion of the money was applied was before them; and we are left to conclude this institution is now openly in the field as a political partisan, and that one of its means of warfare is the destruction of the political standing of those who are opposed to the renewal of the charter. The sum actually charged to the expenses, under this resolution, is sufficiently startling. How much more may have been already squandered, we are yet to learn; and the work of preparing and circulating such publications is still, it is presumed, going on under the last resolution of the board. It is, moreover, impossible to ascertain the specific purposes to which the money may in fact have been applied, since vouchers are not required to show the particular services for which it was given. With these positive proofs of the efforts of the bank to obtain power, and to influence the measures of the Government, I have not hesitated as to the path of duty. If, when this evidence was before me, I had failed to withdraw the deposits of public money from the bank, it would have been lending the countenance and support of this department to measures which are but too well calculated to destroy the purity of our institutions, and endanger thereby the liberties of the people. It cannot be supposed that these expenditures are justifiable on the ground that the bank has a right to defend itself, and that the money in question was, therefore, properly expended. Some of the items accounted for, sufficiently show in what manner it was endeavoring to defend its interests. It had entered the field of political warfare, and, as a political partisan, was endeavoring to defeat the elections of those who were opposed to its views. It was striving by means of its money to control the course of the Government, by driving from power those who were obnoxious to its resentment. Can it be permitted to a great

moneyed corporation to enter on such a controversy, and then justify its conduct on the ground that it is defending its own interests? The right of such an institution to interfere in the political concerns of the country, for any cause whatever, can never be recognized; and a defence like this, on the part of the bank, could not be tolerated, even if the individual stockholders alone were thus using their own money to promote their own interests. But it is not only the money of individuals which is thus applied. The one-fifth of the capital of the bank, amounting to seven millions of dollars, belongs to the United States, and the one-fifth of the money which has been expended, and is yet to be expended under this resolution, is the property of the public, and does not belong to private individuals; yet the board of directors assert the right not only to authorize the expenditure of the money of individual stockholders in order to promote their individual interests, but have also, by the resolution in question, taken upon themselves to give the like authority over money which belongs to the United States. Is an institution which deals thus with the money of the people, a proper depository for the public funds? When such a right is openly claimed and acted upon by the board of directors, can the money of the United States be deemed safe in its hands? The same principle that would sanction the application of one portion of the public money to such purposes, would justify the like use of all that may come to its possession. The board of directors have no lawful authority to employ the money of the United States for such objects. So far as the nation is concerned in the character of the bank, the people, through their own representatives in Congress, can take care of their own rights, and vindicate the character of the bank if they think it unjustly assailed. And they do not need the aid of persons employed and paid by the bank, to learn whether its charter be constitutional or not; nor whether the public interest requires it to be renewed; nor have they authorized the president and directors of that institution to expend the public money to enlighten them on this subject.

The resolution in question is, moreover, in direct violation of the act of Congress by which this corporation was established; and it is difficult to imagine how the unlimited and irresponsible power over the money of the bank, which the directors have given to the president, can be reconciled to the clause in its charter which requires seven directors to form a board for the transaction of business. If the expenditure of money for the purposes contemplated by the resolution, be a legitimate part of the business of the corporation, the board could not lawfully transfer it to one of its officers, unless they can, by resolution, surrender into the hands of their president the entire power of the corporation, and commit to the care of a single individual the corporate powers which the law has declared should be exercised by the board of directors.

Chief Justice Marshall, in the case of the *Bank of the United States vs Dandridge*, when speaking of the bonds required to be given by the cashier of the bank, says, "it requires very little knowledge of the interior of banks to know that the interests of the stockholders are committed, to a very great extent, to these and other officers. It was, and ought to have been, the intention of Congress to secure the Government, which took a deep interest in this institution, and to secure individuals who embarked their fortunes in it on the faith of the Government, as far as possible, from the mal-practices of its officers." But the directors of the bank seem to have acted on principles

directly opposite to those stated by the Chief Justice; and, instead of endeavoring to secure, "as far as possible," the public and individuals from the usual practices of its officers; they place the funds of the bank under the control of a single officer, from whom neither security nor specific vouchers have been required. It is true that, in the opinion which the Chief Justice gave in the case from which the above passage is quoted, he differed from the rest of the court; but the difference was on other principles, and not on the one above stated.

In forming my judgment on this part of the case, I have not regarded the short time the charter has yet to run; but my conduct has been governed by considerations which arise altogether out of the course pursued by the bank, and which would have equally influenced the decision of this department in relation to the deposits, if the bank were now in the first years of its existence. And, upon this view of the subject, the following propositions appear to be fully maintained.

1st. That the bank, being the fiscal agent of the Government in the duties which the law requires it to perform, is liable to all the responsibilities which attach to the character of agent, in ordinary cases of principal and agent among individuals; and it is, therefore, the duty of the officer of the Government to whom the power has been entrusted, to withdraw from its possession the public funds, whenever its conduct towards its principal has been such as would induce a prudent man, in private life, to dismiss his agent from his employment.

2d. That, by means of its exchange committee, it has so arranged its business as to deprive the public servants of those opportunities of observing its conduct, which the law had provided for the safety of the public money confided to its care; and that there is sufficient evidence to show that this arrangement, on the part of the bank, was deliberately planned, and is still persisted in, for the purpose of concealment.

3d. That it has also, in the case of the three per cent. stock, and of the bill of exchange on France, endeavored, unjustly, to advance its own interests, at the expense of the interests and the just rights of the people of the United States.

If these propositions be established, it is very clear that a man of ordinary prudence, in private life, would withdraw his funds from an agent who had thus behaved himself in relation to his principal; and it follows, that it was the duty of the Secretary of the Treasury to withdraw the funds of the United States from the bank.

4th. That there is sufficient evidence to show that the bank has been, and still is, seeking to obtain political power, and has used its money for the purpose of influencing the election of the public servants, and it was incumbent upon the Secretary of the Treasury, on that account, to withdraw from its possession the money of the United States which it was thus using for improper purposes. Upon the whole, I have felt myself bound, by the strongest obligations, to remove the deposits. The obligation was imposed upon me by the near approach of the time when this corporation will cease to exist, as well as by the course of conduct which it has seen fit to pursue.

The propriety of removing the deposits being thus evident, and it being consequently my duty to select the places to which they were to be removed, it became necessary that arrangements should be immediately made with the new depositories of the public money, which would not only rea-

der it safe, but would, at the same time, secure to the Government, and to the community at large, the conveniences and facilities that were intended to be obtained by incorporating the Bank of the United States. Measures were accordingly taken for that purpose; and copies of the contracts which have been made with the selected banks, and of the letters of instructions to them from this department, are herewith submitted. The contracts with the banks in the interior are not precisely the same with those in the Atlantic cities. The difference between them arises from the nature of the business transacted by the banks in these different places. The State banks selected are all institutions of high character and undoubted strength, and are under the management and control of persons of unquestioned probity and intelligence; and, in order to insure the safety of the public money, each of them is required, and has agreed to give security, whenever the amount of the deposits shall exceed the half of the capital actually paid in; and this department has reserved to itself the right to demand security whenever it may think it advisable, although the amount on deposit may not be equal to the sum above stated. The banks selected have also severally engaged to transmit money to any point at which it may be required by the direction of this department for the public service; and to perform all the services to the Government which were heretofore rendered by the Bank of the United States; and, by agreements among themselves to honor each other's notes and drafts, they are providing a general currency at least as sound as that of the Bank of the United States, and will afford facilities to commerce, and in the business of domestic exchange, quite equal to any which the community heretofore enjoyed. There has not been yet sufficient time to perfect these arrangements; but enough has already been done to show that, even on the score of expediency, a Bank of the United States is not necessary either for the fiscal operations of the Government or the public convenience, and that every object which the charter to the present bank was designed to attain, may be as effectually accomplished by the State banks. And if this can be done, nothing that is useful will be lost or endangered by the change, while much that is desirable will be gained by it; for no one of these corporations will possess that absolute and almost unlimited dominion over the property of the citizens of the United States which the present bank holds, and which enables it at any moment, at its own pleasure, to bring distress upon any portion of the community, whenever it may deem it useful to its interest to make its power felt. The influence of each of the State banks is necessarily limited to its own immediate neighborhood, and they will be kept in check by the other local banks. They will not therefore be tempted, by the consciousness of power, to aspire to political influence, nor likely to interfere in the elections of the public servants. They will moreover be managed by persons who reside in the midst of the people who are to be immediately affected by their measures, and they cannot be insensible or indifferent to the opinions and peculiar interests of those by whom they are daily surrounded, and with whom they are constantly associating. These circumstances always furnish strong safeguards against an oppressive exercise of power, and forcibly recommend the employment of State banks, in preference to a Bank of the United States with its numerous and distant branches. A corporation of the latter description is continually acting under the conviction of its immense power over the money concerns of the whole country, and is dealing also with the fortunes and comforts of men who are distant from them, and to whom they are personally strangers. The direc-

tors of the bank are not compelled to hear daily the complaints, and witness the sufferings, of those who may be ruined by their proceedings. From the nature of man, such an institution cannot always be expected to sympathise with the wants and feelings of those who are affected by its policy; and we ought not, perhaps, to be surprised if a corporation like the Bank of the United States, from the feeling of rivalry, or from cold calculations of interest or ambition, should deliberately plan and execute a course of measures highly injurious and oppressive in places where the directors who control its conduct have no local sympathies to restrain them. It is a fixed principle of our political institutions, to guard against the unnecessary accumulation of power over persons and property in any hands; and no hands are worthy to be trusted with it than those of a moneyed corporation. In the selection, therefore, of the State banks as the fiscal agents of the Government, no disadvantages appear to have been incurred on the score of safety or convenience, or the general interests of the country, while much that is valuable will be gained by the change. I am, however, well aware of the vast power of the Bank of the United States, and of its ability to bring distress and suffering on the country. This is one of the evils of chartering a bank with such an amount of capital, with the right of shooting its branches into every part of the Union, so as to extend its influence to every neighborhood. The immense loan of more than twenty-eight millions of dollars suddenly poured out, chiefly in the western States, in 1831, and the first six months of 1832, sufficiently attests that the bank is sensible of the power which its money gives it; and it has placed itself in an attitude to make people feel the weight of its resentment if they presume to disappoint its wishes of the corporation. By a severe curtailment it has already made it proper to withdraw a portion of the money it held on deposit, and transfer it to the custody of the new fiscal agents, in order to shield the community from the injustice of the Bank of the United States. But I have not supposed that the course of the Government ought to be regulated by the fear of the power of the bank. If such a motive could be allowed to influence the legislation of Congress, or the action of the Executive Departments of the Government, there is an end to the sovereignty of the people, and the liberties of the country are at once surrendered at the feet of a moneyed corporation. They may now demand the possession of the public money, or the renewal of the charter; and if these objects are yielded to them from apprehensions of their power, or from the suffering which rapid curtailments on their part are inflicting on the community, what may they not next require? Will submission render such a corporation more forbearing in its course? What law may it not hereafter demand, that it will not, if it pleases, be able to enforce by the same means?

These considerations need not, however, be pressed further in this report. They are too obvious and striking to need enforcement by argument; and I rely with confidence on the representatives of this enlightened nation to sustain a measure which the best interests of the country called for, and which had become absolutely necessary to preserve, untainted, its free institutions, and to secure the liberties and happiness of the people.

I have the honor to be, sir,

Very respectfully,

Your obedient servant,

R. B. TANEY,

Secretary of the Treasury,