

Treaty from 1819—was agreed to.
BANK OF THE UNITED STATES.

The following resolution, moved last week by Mr. CLAYTON of Georgia, was read:

Resolved, That a select committee be appointed to examine into the affairs of the Bank of the United States, with power to send for persons and papers, and to report the result of their inquiries to this house.

Mr. WATMOUGH moved the question of consideration.

On that question Mr. POLK demanded the yeas and nays.

A discussion thereupon arose on the question whether it was in order, after a resolution had been postponed to a certain day, to receive a motion such as had been made by Mr. Watmough.

In this discussion, or rather conversation, Messrs Polk, Huntington, Cambreleng, Clayton, Everett, Williams, Foster and McDuffie participated.

It having been ascertained from the journal that the resolution after having been offered, had received the action of the house by a vote postponing its consideration until this day, the chair decided that it was too late to entertain the question of consideration.

Mr. WILLIAMS then moved to lay the resolution on the table; but, after some remarks from Mr. CLAYTON, he consented, at the request of Mr. McDUFFIE, to withdraw his motion.

Mr. CLAYTON said he was not disposed to discuss this resolution, but in a spirit of the utmost liberality. [He commenced with quoting a clause in the charter, requiring the bank to submit its affairs to examination.] The committee of the house appointed to examine the subject, had declared that the power to investigate the state of the institution was so wholesome in its nature and tendency, that

Mr. CLAYTON said he was not disposed to discuss this resolution, but in a spirit of the utmost liberality. [He commenced with quoting a clause in the charter, requiring the bank to submit its affairs to examination.] The committee of the house appointed to examine the subject, had declared that the power to investigate the state of the institution was so wholesome in its nature and tendency, that whenever any suspicion was excited against the bank, it ought to be employed. [Here he quoted the report of the committee of ways and means, and also that of the minority of that committee, to shew that they coincided in recommending an examination into the affairs of the bank.] Mr. C. said that when he introduced the resolution, he expected that the friends of the bank would have seized on the opportunity thus held out to them to put the institution on higher ground than any it had yet occupied; for such must be the effect of the investigation, if the condition of the institution were such as they represented it to be. It must be manifest to every one, that if the bank should come out of the ordeal unharmed, and prove itself to be a benefit to the nation, none would be disposed to put it down.

Mr. C. said he would frankly state what he believed could be brought against the Bank. He thought it was enough for him as a representative of the people, to state to his co-representatives the charges which he believed might be substantiated against the institution; when they had heard them, they might vote the investigation or not as they might deem proper. The following facts would, he believed, be established, and under that impression, he preferred them as a sort of indictment against the Bank:

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Bank:

1. The issue of 7,000,000, and more, of branch bank orders as a currency. The President of the Bank admits 7,000,000 issued.

2. Usury on broken bank notes in Kentucky and Ohio: they amounted to \$900,000 in Ohio, and nearly as much in Kentucky. See 2 Peters' Reports, p. 327, as to the nature of the cases.

3. Domestic bills of exchange, disguised loans to take more than at the rate of 6 per cent. Sixteen millions of these bills for December last. See monthly statements.

4. Non-user of the charter. In this, that from 1819 to 1826, a period of 7 years, the South and West branches issued no currency of any kind. See the doctrine on *non-user* of charter and duty of corporations to *act up to the end* of their institution, and forfeiture for neglect.

5. Building houses to rent. See limitation in their charter on the right to hold real property.

6. In the capital stock, not having due proportions of coin.

7. Foreigners voting for directors, through their trustees.

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1. Not cashing its own notes, or receiving in deposit at each branch, and at the parent bank, the notes of each other. By reason of this practice, notes of the mother bank are at a discount at many, if not all, of her branches, and completely negatives the assertion of "sound and uniform currency."

2. Making a difference in receiving notes from the federal government and the citizens of the states. This is admitted as to all notes above \$5.

3. Making a difference between members of congress and the citizens generally, in both granting loans and selling bills of exchange. It is believed it can be made to appear that members can obtain bills of exchange *without*, citizens *with* a premium; the first give nominal endorsers, the others must give two sufficient resident endorsers.

4. The undue accumulation of proxies in the hands of a few to control the election for directors.

5. A strong suspicion of secret understanding between the bank and brokers, to job in stocks, contrary to the charter. For example, to buy up the 3 per cent. stock at this day, and force the government to pay at par for that stock—and whether the government deposits may not be used to enhance its own debts.

6. Subsidies and loans, directly or indirectly, to printers, editors, and lawyers, for purposes other than the regular business of the Bank.

7. Distinction in favor of merchants in selling bills of exchange.

8. Practices upon local banks and debtors to make them petition congress for a renewal of its charter, and thus impose upon congress by false clamor.

9. The actual management of the Bank, whether safely and prudently conducted. See monthly statements to the contrary.

10. The actual condition of the bank, her debts and credits; how much she has increased debts, and diminished her means to pay in the last year; how much she has increased her credits and multiplied her debtors; since the President's message in 1829, without ability to take up the notes she has issued, and pay her deposits.

11. Excessive issues, all on public deposits.

12. Whether the account of the Bank's prosperity be real or delusive.

13. The amount of gold and silver coin and bullion sent from western and southern branches of the parent bank since its establishment in 1817. The amount is supposed to be 15 or 20 millions, and, with bank interest on bank debts, constitutes a system of the most intolerable oppression of the south and west. The gold and silver of the south and west have been drawn to the mother bank, mostly by the agency of that unlawful currency created by branch bank orders—as will be made fully to appear.

14. The establishment of agencies in different states, under the direction and management of one person only, to deal in bills of exchange, and to transact other business properly belonging to branch banks, contrary to the charter.

15. Giving authority to State Banks to discount their bills without authority from the secretary of the treasury.

Having gone through with these items, briefly commenting on each as he proceeded, Mr. CLAY—

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Having gone through with these items, briefly commenting on each as he proceeded, Mr. CLAYTON observed that he knew a number of petitions had been presented to the house in favor of re-chartering the Bank. Such petitions were gotten up with great facility. Some of these were even obtained in New-York. Now, he would appeal to the whole south, whether the petition of a few individual merchants was to be regarded in preference to the declared opinion of the legislature of New-York? He knew it was become very unfashionable to listen to the voice of states; he knew they were scarcely as much respected as so many corporations, and that their will weighed nothing. But, as long as he was able to utter his voice in favor of the rights of the states, he would continue to aver that they were worthy to be regarded. The house was receiving the petitions gotten up by the Bank as an expression of the wishes of the community, while the voice of New-York and of other states was disregarded.

The Bank was an institution whose arms extended into every part of the community; and one of its officers had not long since boldly declared that the moment the Bank should succeed in obtaining the renewal of its charter, it would grind the state institutions to dust. This he pledged himself to prove. An institution like this, which, by a mere exertion of its will, could raise or sink the value of any and of every commodity, even of the bread we ate, was to be regarded with a jealous watchfulness. When the present charter was granted, a committee had been appointed to investigate its encumbrances; and he thought the Bank ought to be satisfied that the proposed enquiry should be instituted.

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The charges he had made, could, he was confident, be maintained. He had not made them without the best reasons. But should the charges be refuted, the bank would be able to convince the nation, that it did not rest on the rotten foundation which some men supposed. If such should be the result, it would, in a great manner, close *his* mouth, although, not on the constitutional question involved. If the bank should refuse the inquiry, it would forfeit the confidence of the community—and, in the last resort, the People would call upon another watchman to pronounce the *Shibboleth* of their protection. He had not a doubt, that should the charter be renewed, advantage would be taken of the granted power to crush the state institutions.

[Our sketch of Mr. Clayton's speech (says the *Intelligencer*) is but imperfect: he was not heard with distinctness: but the substance of his remarks is believed to be given.]

Mr. WAYNE rose to vindicate the individual who had been, he was confident, wrongly charged. That individual was a common constituent of both his colleague and himself. He could assure his colleague, and the house, that what had been said was incorrect, as it respected that gentleman; though he had little doubt that the bank, if successful, would do as had been said.

Mr. LAMAR said, that until evidence to the contrary was produced, he should remain satisfied that the statement was perfectly true. If the gentleman last up, had known the very respectable source from which that information came, he would be of the same opinion.

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which that information came, he would be of the same opinion.

Mr. McDUFFIE said, where any substantial charges are submitted to the House under the authority of a respectable man, he felt bound to go into the investigation, cost what it might. It was obvious that the resolutions before the House imported an enquiry of a grave character. It was not to be lightly done. The gentleman from Georgia, [Mr. Clayton,] had drawn up his indictment—it contained some 15 or 20 counts. He would take the first as a specimen of the whole. It related to the Branch Bank orders. Upon a fair investigation, all the other counts would end as this would, on being understood. The charge is, that the Bank has violated its charter. How? For doing that which the charter expressly authorizes—in issuing bills of exchange?—What objection is there to dealing in exchange?—Will you denounce the very object of the charter? What, after all, is the great crime against their charter committed by the Bank? Why, they have been so atrocious as to color the paper on which their drafts are made, which gives to them a resemblance to Bank bills! This is the real offence. This breach of the charter is the idlest of all talk. It can bear no discussion. He would not have recommended bills of exchange so small in their amount. They were required by necessity. The officers of the Bank—the President and Cashier who were required to sign the ordinary notes of the Bank, were incapable of doing it sufficiently to meet the public wants. Has any body been injured by this course? Is not the Bank liable to pay them? The Bank is authorized by its charter to deal in exchange. It had given the Branches authority to draw. Will

wants. Has any body been injured by this course? Is not the Bank liable to pay them? The Bank is authorized by its charter to deal in exchange. It had given the Branches authority to draw. Will any body say the Bank is not liable? Oh! but the drafts are payable no where! In fact, they are payable every where. In this respect, they differ from the ordinary Bank notes, which were only payable where they are issued, while these drafts are paid at all the Branches.

2. The count upon the broken bank notes is subject, he thought, to demurrer. Mr. McD. went into a full explanation of the circumstances of the reported case which was not, he said, settled on facts formed by verdict, but on a case arising on demurrer. Besides, the former difficulties ought not to be visited upon the present officers. As to the purchase of domestic bills of exchange, that was one of the ordinary transactions of the Bank. Was he to understand that dealing in exchange was a violation of the charter?

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of the charter?

Mr. CLAYTON, said he alluded to transactions like this. A person has a note due. He goes to the Bank and wishes further time. This is refused but he is told that if he will draw a bill on his factor at 60 days, it will be received at 2 per cent. discount — which if not paid, comes back protested and loaded with damages. This was not dealing in exchange, it was a mere subterfuge for usury.

Mr. McDUFFIE said no such charge could be made out. He could conceive a case where the bank might want funds at a particular point and would grant an indulgence to a person who would place funds there, which it would not otherwise do. Its rate of exchange has been almost invariably less than that of the brokers. As to the non user of the charter by the branches at the south and west, by not issuing bills, any man could see that if the bank never issued a bill, it would not by that means violate its charter. Its object is to grant discounts. — It is not obliged to pay out its own notes; it may pay the notes of other banks or specie. By issuing its own bills and attempting to pay them at all points, the bank was nearly ruined in 1818. The demand for loans in the west was enormous. The balance of trade carried all the bills issued there to New-York and Philadelphia, where specie was demanded. No man would give even a quarter of one per cent, for exchange, when bank bills, which would command specie, might be sent equally well. Mr. McD. explained how the bank, under the charter

cent, for exchange, when bank bills, which would command specie, might be sent equally well. Mr. McD. explained how the bank, under the charter, might properly become owner of land, and being owner, he contended, had a right to improve it by building, cultivation or any other lawful manner.— He did not understand the charge of deficiency of coin.

Mr. CLAYTON said, the clause from the charter provides that the bank shall not owe a greater sum than its effects in hand.

Mr. McDUFFIE said the banks were not only able to pay their debts, but were too able for the interests of the share holders. They could not only pay all the debts and the capital, but a large surplus besides. As to the charge of voting by foreigners through trustees, he thought it would turn out without foundation. There might be instances of stock standing in name of citizens which were beneficially owned by foreigners. What authority there was to prevent this, he knew not. With regard to the abuses which were not a violation of the charter, which Mr. Clayton had recapitulated, Mr. McD. discussed them, each item by itself, and contended that they all, excepting an insinuation relative to stock jobbing, amounted in fact, to eulogium. It seemed to have been expected of this Bank to do what no bank ever did, or ever expected to do. He begged the house to recollect the delicate and fragile nature of bank credit. There were other considerations worthy of attention. A large portion of

the stock belongs to widows and orphans, whose interest the house was bound to protect. No reason had been given sufficient to justify the expense and delay which a special committee would occasion. — He hoped such a direction would be given to the subject as might put an end to the discussion. He had no doubt from his knowledge of the gentleman from Georgia [Mr. Clayton] he regarded this great and beneficial institution as one of the heaviest of curses; and under the influence of this prepossession he had given credence to the statements he had made—he was convinced of his sincerity. But suppose the resolution be adopted. The committee are raised—go to Philadelphia for a full examination of the institution—the question could not be acted on the present session. The gentleman from Georgia had no intention of producing this effect; but such would be the consequence. He (Mr. McD.) would vote against this or any other enquiry which was not founded upon facts stated upon the responsibility of some member on this floor. If any abuse could be shown which would justify the expense of going to Philadelphia, let the consequences be what they might he would vote in favor of it. But upon these charges, without a single substantial fact to support them, he hoped no delay would arise.

The foregoing sketch of the remarks of Mr. McDuffie (says the Globe) is very bald and imperfect, and would not have been given but from a desire to furnish our readers with a prompt notice of the proceedings.

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After Mr. McD. concurred, the house took a recess till 7 o'clock, agreeably to vote of Friday.

Evening Session—The house re-assembled at 7 o'clock. On motion of Mr. Johnson of Kentucky, the bill to establish certain post roads, and to alter and discontinue others, and for other purposes, was considered in committee of the whole on the union. Numerous amendments were agreed to, when the committee rose, reported progress, and at a late hour the house adjourned.

Tuesday, February 28.

In the SENATE, Mr. Hayne introduced a bill extending the right of debenture to Key West. The resolution respecting the Tariff, submitted by Mr. Clay, was taken up, and Mr. Dallas resumed and concluded his speech in its support. Mr. Forsyth then took the floor, and, after speaking some time in opposition to the resolution, gave way to a motion for adjournment.

In the HOUSE, Mr. Wickliffe, from the Committee on the Public Lands, reported a bill for the final adjustment of the claims for land in the South Eastern Land District in the State of Louisiana. Mr. Doddridge, from the Committee on the District of Columbia, made a report on so much of the President's Message as related to the expediency of granting to the citizens of this District, a Delegate in Congress, or a territorial government, concluding with a resolution, adverse to the views of the President. Mr. Root laid on the table the following amendments to the bill for rechartering the Bank of the United States, which were ordered to be printed.

And be it further enacted, That after the 3d day March, 1836, there may be added to the said Bank by the United States 150,000 shares amounting to 15,000,000, to be paid for by the United States in a stock to be created for that purpose, and bearing an interest of three per cent. per annum, payable quarter yearly, and made redeemable at the pleasure of the United States.

And be it further enacted, That it shall not be lawful for the President, Directors, and company of the said Bank, to sell and transfer more than three millions of the said stock so to be created, in any one year, nor to sell any part thereof, at any time, without previously giving notice of their intention to the Secretary of the Treasury, and giving the U. S. the refusal for fifteen days, of purchasing the same, at the current market price.

And be it further enacted, That of the twenty five directors for the management of the affairs of the said incorporation, eleven shall be appointed by the President of the U. S. by and with the advice and consent of the Senate, not more than five of whom shall be resident in any one State.

And be it further enacted, That the notes or bills of the mother bank or any of its branches, shall be receivable at the mother Bank, or any of its branches, in payment of debts due to the said corporation.

The first Bank, incorporated under the constitution of the U. S.

poration.

The first Bank, incorporated under the constitution of the U. States, gave a bonus of one million five hundred thousand dollars for its charter. It offered the like sum for the renewal of its charter in 1810. The present Bank paid the United States the like bonns for its charter, and, upon the same principle, ought to pay that or a larger sum for its renewal or extension. But, as some of the States have claimed, and others may be desirous to possess the right of taxing the said bank or its branches, within their respective jurisdictions; and it being highly important that harmony between the General and State Governments should be cherished and perpetuated—Therefore,

Be it further enacted, That in lieu of such bonus, the right of taxing the said Bank, and its branches, in the same manner, and to the same proportional extent, as they do their own local Banks, is conceded to the States respectively in which the same may be situated.

The House resumed the consideration of the resolution, proposed by Mr. Clayton, for the appointment of a select committee to examine into the affairs of the Bank of the United States. Messrs. Patton, Polk, and Cambreleng, addressed the House in favor of the resolution; and Messrs. Jenifer, Branch and Huntington, in opposition to it.

Wednesday, February 29.

In the SENATE, Mr. Clay introduced a bill, giving a donation, in land,