

UNITED STATES BANK.

REPORT OF THE MINORITY.

At length we have this highly important document before us—perhaps we might say as important a report as has been made to Congress this century. Before it all the clouds raised by party rancor disappear, like the mists from the mountain tops when the sun shines in full effulgence upon them. As the Editors of the National Intelligencer very justly remark, it is a *torpedo*, which completely blows Mr. Cambreleng's frail bark out of water. We give below as full and faithful an abstract as time and space permit, embodying as nearly as possible all the subjects treated of.

The six cases which the majority of the committee alleged to have become subjects of imputation against the Bank, touching the violation of its charter, are severally handled with skill and fairness. The first, that of usurious loans of the depreciated notes of the Bank of Kentucky, is distinctly cleared, by the fact that the mother Bank knew nothing of the transaction, and when it was made known, promptly corrected it by refunding to the borrower of the Kentucky notes, the full amount of the difference between their nominal and their real value, at the time of the loan, with interest. Having thus been free from all intentional usury, and never having been sanctioned by the mother Bank, but on the contrary corrected, they cannot furnish the slightest ground for alleging the charter has been violated.

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The second ground of accusation, respecting the issuing of branch orders as circulation, the minority deem it sufficient to remark, that a branch order is a bill of exchange, drawn by a branch upon the mother bank, and that the charter expressly authorises, as one of the primary operations of the bank, the buying and selling of bills of exchange.

The third ground of imputation, is the selling of coin, particularly American coin. On this point we give the short but conclusive words of the report—

“The minority would respectfully suggest, that the majority have entirely overlooked the nature and essential purposes of the bank. It may be well defined to be “an institution established for the purpose of dealing in money.” Now money is a current coin; yet, a committee of Congress very gravely bring it forward as a charge, touching the violation of its charter, too, that it has been guilty of dealing in current coins, and, particularly, American coins, the very end for which it was created. As relates to dealing in current coin, the right to do so is involved in the right of lending money and of receiving it back. The authority to deal in bullion is expressly granted in the charter, because bullion is not current coin, and, of course, the right to deal in it is not necessarily involved in the right of carrying on banking operations.”

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“This charge,” says the report, “is if possible, more extraordinary than the last. If the acts of Congress, which expressly authorised the bank to subscribe for Government stock, had any meaning at all, they certainly meant to authorise the bank to acquire the right of property in the stock for which it was authorised to subscribe. The right to sell this stock at pleasure, the very essence of the right of property, and is as clearly conveyed to the corporation by the act authorising a subscription, as the right to receive the interest.

The *right* to sell, therefore, is indisputable.

But the majority seem to suppose that the policy which forbids the bank to speculate in stocks, with its immense resources, by which the price might be ‘raised and depressed at pleasure,’ equally forbade the bank to sell the stock for which it had subscribed by the express authority of the Government. Now it is apparent, that the evil of dealing in stocks, by such an institution, can only exist in cases of *buying and selling stocks at the pleasure of the bank*. To raise and depress prices, the bank must have the right, both to buy and to sell alternately, as may suit its purposes of speculation. But it has never pretended to claim, much less to exercise, the right of buying Government stocks, except under the express authority of Congress, and by an express stipulation with the Treasury Department. And after it has obtained a large amount of Government stocks in this mode, it is

difficult to conceive how it could *raise* the price of these stocks by coming into the market as a *seller*, or how it could promote the purposes of a stock-jobbing speculation, by *depressing* the price, the only effect which could result from offering for sale. When these stocks were sold in 1825, there was an extraordinary pressure upon the money market of the whole commercial world. They constituted the very resource which the bank most required in such an emergency; and it is now matter of history, that it was partly by the wise, judicious and timely use of this resource, that the bank of the United States averted from this country the calamity of a general failure of the banks, and a widely extended scene of commercial bankruptcy.

The majority of the committee seems to regard it as a matter of complaint, that the Government permitted the bank to subscribe for these stocks, in preference to individuals. If this is, indeed, a just cause of complaint, it should be made against the Government, and not against the bank. When Congress expressly authorises the Secretary of the Treasury to obtain a loan from the bank, and the Secretary stipulates the terms of that loan, it is impossible to conceive how any blame can be imputed to the bank, if it faithfully performs its engagements."

It would be difficult to refute a charge more clearly and *conclusively*. We therefore do not add a word of comment on the absurd fourth charge.

"The fifth ground of imputation presented in the report of the majority is, 'making donations for roads, canals, and other objects.'

"In two instances, the directors subscribed small sums to certain internal improvements in the vicinity of the real estate of the bank. This they did in the exercise of their proprietary right, and with a view to the improvement of the value of their property. For this exercise of power, they are responsible to the stockholders alone; and the question is, whether they

have or have not made a proper application of the funds of the corporation, with a view to the promotion of its interests? To what extent the value of the real estate of the bank has been increased, by the internal improvements in question, has not been ascertained; but it may be well supposed that it exceeds the sum appropriated by the directors to, and in the construction of, these improvements."

Owing to extensive failures in the western country of the persons indebted to the bank, prior to 1817, the directors were unavoidably compelled to take a very large quantity of real estate, as the only means of avoiding still greater losses than they have actually sustained. They have disposed of this estate as rapidly as they could, consistently with the interest of the institution. On a portion of it, they have erected improvements, to prepare it for sale, and by means of which they will save the stockholders from a greater portion of the loss which would have otherwise occurred, and will recover a large amount of the debts which were some years ago set down as desperate. If, for this course of conduct, the directors are rendered obnoxious to censure, then will they be condemned for the very faithfulness of their stewardship.

The next topic, the loan to Webb and Noah, substantiates fully what we published last week of the affidavits of those gentlemen; it goes further, however, and states that "by far the greatest amount of loans to editors is to the friends of the present administration, and a large portion of that to the decided opponents of the Bank." This point may now be fairly dropped; who will have the courage to fight this windmill, after reading the following paragraphs:

“Under all the circumstances of this case, the minority of the committee declare without any reserve, that there is nothing in these transactions calculated to induce them to doubt the honor and integrity of the directors, and this, they feel authorised to say, is the opinion of a majority of the committee, from the opinion already publicly expressed of one of its members. They also deem it to be due to the occasion, and to their own sense of justice, that they should add, that they do not believe there exists in the United States, a bank direction composed of more upright, independent and honest men, than that which granted the loans in question.

“Most, if not all of them, are men of independent fortunes, having no connection with politics, and being entirely independent of banks. They are generally men who are engaged in a safe and successful business, with fortunes, which they have made, not by adventurous speculations, but by steady industry and moderate but certain profits. This is, indeed, the general character of the merchants and capitalists of Philadelphia, a circumstance which renders the location of the Bank in that city peculiarly fortunate for the stockholders and for the country.”

The loan to Thomas Biddle & Co., which makes so prominent an appearance in the former report, turns out completely the reverse of what the majority intended to make the country believe. Let us hear:

"On examination, it was found that this loan had been made at the special instance and urgent solicitation of the directors of the Bank; and that the bank, and not Thomas Biddle & Co. was the party accommodated."

Again: "All the directors who were examined on the subject, stated that they considered this transaction more for the benefit and accommodation of the Bank, than of Thomas Biddle & Co., and the president of the Bank of Pennsylvania stated, on oath, that the bank over which he was president would have been very glad to have made large loans to Thomas Biddle & Co. at the same time and upon the same terms—the board of directors of that bank having authorised such loans at 4½ per cent."

And here follows what may be termed the *news* part of the report. It has not heretofore been laid before the public, though much talked of in private circles in this city. We give it entire, as a curious instance of gross falsehood and infatuation in a man who once had some reputation to lose.

The minority of the Committee say—

"There was one occurrence during the examination of the transactions of Thomas Biddle & Co. with the Bank, which they think merits the most particular notice.

“An informer and witness, by the name of Whitney, who had formerly been a director of the bank, was produced, who declared, upon oath, that, in July, 1824, two of the cashiers of the bank, and one of the discount clerks had informed him that Thomas Biddle & Co. had been in the habit of drawing money out of the bank, on a deposit of stock in the teller's drawer, *without paying interest*—and that the president of the bank had discounted two notes, one for Thomas Biddle & Co. and one for Charles Biddle, without the authority of the directors. This witness stated that he went with these officers of the bank, and examined the teller's drawer and the discount book, and found the facts which had been stated to him verified by the examination. He also stated, to give additional certainty to his statements, that he made a memorandum at the time, with the dates of the transactions, which memorandum he produced to the committee. Having thus unalterably fixed the date of the transaction, as if by some fatality, he went on to say, that he immediately proceeded into the room of Mr. Biddle, the president, and remonstrated with him against these irregular proceedings, and that Mr. Biddle faithfully promised him that they should not occur again.

“Mr. Biddle was present during the examination of this witness. On that day, being on oath, he said that he was utterly astonished at the testimony of the witness, and could only oppose to it his solemn declaration, that there was not one word of truth in it from the beginning to the end. He added, that from the relation in which the witness stood to him, he would have sunk into the earth, sooner than have dared to come to him with such a remonstrance as he pretended to have made. The officers of the bank, from whom the witness alleged that he derived this information,

ed to have made. The officers of the bank, from whom the witness alleged that he derived this information, were examined, and all of them positively contradicted him. They testified and demonstrated from the books, that Thomas Biddle & Co. had never obtained money, in any instance, without paying interest, and that the two notes, which Whitney asserted to have been discounted by the president alone, had been discounted regularly by the directors.

"In the interval between the adjournment of the committee that day, and its meeting the next, a member of the board of directors suggested to Mr. Biddle, that he was, about the time of this alleged transaction, in the city of Washington. On examining the journals of the board and the letter book, it was found by entries and letters, that for several days previous to the alleged interview between the president and Whitney, and for several days afterwards, the president was absent on a visit to the city of Washington on the business of the bank, and General Cadwallader was acting as president in his place.

"Thus was this artfully devised story, which was intended to blast the reputation of a high-minded and honorable man, through one of those extraordinary interpositions, by which Providence sometimes confounds the contrivances of the wicked, made to recoil upon the hand of its inventor, who must forever stand forth as a blasted monument of the speedy and retributive justice of heaven. It is important here to add, that the president was in this city, not only at the time of the

president was in this city, not only at the time of the alleged interview, but at the very time when the notes of Thomas Biddle & Co. and Charles Biddle were discounted, which Whitney swore were discounted by the president alone."

They further state that they had the most conclusive evidence that in all the transactions of the bank with Thomas Biddle & Co. and Charles Biddle, the president has been, not only free from the slightest imputation of partiality or favoritism, but that his conduct has been invariably governed by a nice and scrupulous sense of delicacy and propriety. And this they feel authorised to say is the opinion of a majority of the committee. The following resolution was unanimously adopted by the committee—

RESOLVED, That the charge brought against the president of lending money to Thomas Biddle & Co. without interest, and of discounting notes for that house, and for Charles Biddle, without the sanction of the directors, are without foundation, and there does not exist any ground for charging the president with having shown, or manifested any disposition to show any partiality to these individuals, in their transactions with the bank.

As regards the withdrawal of specie from the southern and western states, it is shown that there are no portions of the Union so much benefitted by the ge-

neral operations of the bank as the south-western and western states, and that the change produced by the bank in this system, and in the rates of domestic exchange, has been particularly beneficial in the whole of the southern and western states.