

THE SATURDAY COURIER

PHILADELPHIA, MAY 26, 1832.

CONGRESS.—HOUSE OF REPRESENTATIVES. MONDAY, April 30. BANK OF THE UNITED STATES.

Mr. Clayton asked leave to make a report in relation to the Bank of the United States.

Mr. Hubbard objected—but afterwards withdrew his objection.

Mr. Clayton then presented his report, and moved that it be referred to the committee of the whole on the state of the Union, and printed.

Mr. McDuffie said he felt bound to make one or two remarks in explanation of the doctrines of the Report, before the question was taken. In justification of this course he would remark, that this investigation of the committee extended over a great deal of ground, and touched upon a great variety of topics, some of them highly important. The Report, said he, is voluminous, and the committee did not finally agree upon the form in which it should be presented until this morning. The minority of the committee had no opportunity of presenting their views in relation to some interesting questions adverted to and discussed in this document. I shall be very brief, however, in the remarks I propose to make, and will barely state distinctly the opinions of the minority, on the points in which it dissents from the majority. The attention of the committee, it would be recollected, had been directed to a great many specifications of abuse, by the gentleman from Georgia, (Mr. Clayton) when he first proposed this inquiry. Many of these had turned out to be trivial, on examination, and had been permitted to pass away without notice. The committee have selected in the report those only, which, in the opinion of the majority, deserved the particular attention of Congress. As to the charges of taking usurious interest, and of issuing branch drafts, I having nothing to remark, since they have been fully discussed heretofore, and since no new disclosures have been obtained in relation to them. Some new questions in relation to the operation of the charter of the bank are raised in the report, which I feel bound to notice. Some general information had been made for information of the Bank, which was not answered before I left Philadelphia. No explanations were asked from the President, and the facts were communicated without comment. These facts, thus unexplained, the majority of the committee have made the subject of speculative conjecture, and have intimated doubts whether some of the practices disclosed are not against the spirit of the charter. In the absence of the explanations which would no doubt have been satisfactory, if it had been intimated that these practices were deemed irregular by the committee, I present such views as now occur to me. The Report, refers among others, to the practice of buying and selling coin. In relation to this practice the President did give an explanation, so far as it regarded foreign coin. The Report seems to imply that such dealing is not authorized by the charter. By the charter, the Bank is expressly authorized to deal in bullion. The opinion of eminent counsel was obtained by the Bank on this question, and it was that foreign coin was included in

proceeding, on the part of Mr. Biddle, saved the country from the greatest disasters. If the bank had pursued an opposite course; if, regarding its own security merely, it had held on to its government stocks, and curtailed its discounts, it would have deserved the universal execration of the country.

The committee inquired concerning donations to road companies, and the opinion is expressed in the report, that such donations were made without any authority in the charter. On the asked question of making gratuitous donations, I should not hesitate to say that the Directors would commit a great breach upon the rights of the stockholders, if they made any such donations.

But it would have been monstrous. The bank owned a large amount of real estate in Ohio, for the improvement of which two small appropriations of 1500 dollars each were made. These lands were in the vicinity of the bank; and the bank as proprietor had an interest at stake to ten times the amount. Nothing could be clearer than the right of the bank to make such an appropriation; it was a wise and proper application of its funds. If he was one of the stockholders, he should certainly think it wise to pay 3000 dollars in aid of a work of improvement which added 9 or 10,000 dollars to the value of his property. Mr. McDuffie had understood from various sources that the improvements were undertaken for the objects he had stated. There was another topic referred to in the report, in relation to which he would offer a single remark. The committee adverted to the fact of the multiplication of its branches by the bank within the last four or five years; and their language seemed to convey the idea that this policy was not a wise one, as respected either the commercial community or the bank itself. Now he was so far from holding this opinion, that he should vote against any National Bank if it could not extend its branches as the growth of the country should call for them. He should not regard any bank as a National Bank at all, if it was to consist of one central institution without extending its branches through all parts of the Union, wherever they may be needed. He regarded it as the very excellence of the institution and its highest praise, that it was extended into all parts of the Union, possessing a sort of omnipresence throughout the commercial community. By this means it was that the Bank had restored the currency of the country to a sound condition, and has preserved it in a state of soundness; which it never could do without having numerous and wide spread branches. He would call the attention of the House to the system of exchanges as now conducted by the Bank.

It had been one of the grounds of complaint when the subject was up before, and the fact had been adverted to in the present report, with an expression of doubt as to its propriety, that the mother Bank drew large amounts of specie from the west and south, and substituted for it its own paper. For himself, as interested in the business of cotton planting—as a southern man—he should not hesitate to say that this was one of the most beneficial of all the operations of the Bank. He would not ask that the Bank should be

expected any accommodation: whereas accommodation paper was always (in whole or in part) renewed. The Bank, he added, could afford to do this business in exchange, without restraining its discounts. To be sure, if the Bank should not buy any other bills, the merchant in New Orleans would not be able to buy bills so cheap here as he could there.

The Bank, then, had twenty millions in drafts to meet its twenty-one millions in notes, besides the eleven and a half millions of cash in its vaults. If there should be a run upon the Bank, intended to break the institution, Mr. McDuffie fearlessly expressed his opinion that before the bills could get into the Bank, the Bank would not only be able to meet them, but could do it and have ten millions over; and this without calling in any part of the 44 millions of discounts with which it aided the commercial community. Mr. McDuffie hoped that no comparison instituted by the Committee in its report, would induce the belief that the Bank was not abundantly competent to meet all its engagements.

The Committee had also adverted to the fact that the bank of the United States had agreed with the Government to pay interest on the 3 per cents, for the next quarter, on condition that the Government would not pay off the stock in July. The imputation founded on this fact should, he said, be explained, as the subject had given rise to many very singular rumors. Every body knew that the President of the Bank, soon after the Committee arrived in Philadelphia, had visited this city. His journey had occasioned many curious rumors as well there as here. It had been stated, among other things, that the Bank Committee had discovered great frauds on the part of the President, in consequence of which he had absconded, and lay concealed in Washington.

Mr. McDuffie would briefly explain the transaction which had occasioned all these surmises and suspicions. The acting Secretary of the Treasury had informed the President of the Bank, that the Government contemplated to pay off, in July next, six millions of the three per cent stock, and had asked whether the Bank had any objection to the measure. As the proposed payment would cause great pressure from the immediate exportation of so many millions of specie, the President of the Bank, and the Board of Directors, with that provident regard for the interests of the community which had ever marked their course, and which so justly entitled them to the gratitude and confidence of the community, looked at the effects which must follow: they saw and knew that if the Government should go into such an operation immediately, it would produce a pressure upon the mercantile world that could not but issue in immense failures among the debtors of Government, as well as others. Nine millions of Government funds would fall due at New York before the close of the next quarter. It was therefore obvious that the Government would, in all probability, lose more by failures of its debtors than it could save in the interest of the stock. The Bank, then, seeing in that spirit of solicitude which it had always shown for the safety and prosperity of the commercial community, proposed to

tensive and permanent issue of these drafts might not prove very inconvenient to the bank itself, in a certain state of the domestic exchanges, and it would be, therefore, a judicious measure, to supersede the necessity in which these drafts originated, by authorizing other officers than the president and cashier of the mother bank, to sign notes for circulation.

This ground of imputation, as relates to the violation of the charter, is, "the selling of coin, particularly American coin."

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 bank operations.

The fourth ground of imputation is "the sale of stock, obtained from Government, under special acts of Congress."

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

The right to sell, therefore, is indispensible. But the majority of the committee 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 re-

"he did so with (this being treated as a sale of the bank, were excluded from the transaction; and its true character and intentions will be plain from the following facts:—

The following facts:—

James Watson, Watson, such as you the bank to the in reality? State full which you voted in

Ans.—"I certainly was not in the transaction, and I explain the reasons of it."

"If in making perfectly safe, and even if it would be an error to employ the subject of court expected in making

Tried by these; the question are unexceptionable board of directors, consisting of six gentlemen, Bohlen, Mr. Neff, Mr. and men of business, applicants with whom acquaintance. The gentleman thus stated. In making judge by the general examination of their affidavits began by an exposé. This was forwarded

Mayor of the city of New York, who, in addition known and respected by one of the oldest directors of the States, and for many years which the directors were letter he says, "I cheerfully and I see no reason why treated as a fair business expressly say it ought to transmit at the same time which the directors were ment, to which others were But when an old director 'cheerfully' an application which he says should be a transaction," it implies certainly but it may be well regretted were he still a member of tion it. Under these auspices to consider it.

One of the parties had been the President and Senate of the United States, and a lucrative post under

some of the practices disclosed are not against the spirit of the charter. In the absence of the explanations which would no doubt have been satisfactory, if it had been intimated that these practices were deemed irregular by the committee, I present such views as now occur to me. The Report, refers among others, to the practice of buying and selling coin. In relation to this practice the President did give an explanation, so far as it regarded foreign coin. The Report seems to imply that such dealing is not authorized by the charter. By the charter, the Bank is expressly authorized to deal in bullion. The opinion of eminent counsel was obtained by the Bank on this question, and it was that foreign coin was included under the term "bullion." That, indeed, is the usual form in which bullion is received in this country.— Upon this mere legal question, somewhat technical in its character, I will make no further remark. A portion of the committee seem to entertain the opinion that the bank has been in the habit of dealing in American coin, without any authority from the charter. I believe they are mistaken in this matter in point of fact. The Bank was called upon to state what amount of coin it had purchased and sold, and in presenting the tabular statement, there is a column stating the amount of American gold bought and sold by the bank, without stating where purchased or where sold. I have no doubt, though we obtained no explanation from the bank, that this is an ordinary and unavoidable transaction, and that it can with no propriety of language be denominated a dealing in American coin. Under the tender laws of the United States, the legal value of gold and silver does not correspond with the intrinsic value. By these laws an ounce of gold is estimated to be worth only fifteen ounces of silver, whereas the real market value of gold is sixteen times as great as that of silver.

Now, no one will dispute the right of the bank to receive its debts in American gold, and much less its right, and indeed its obligation, to allow for this gold what it is really worth. In like manner, no one can dispute the right of the bank to pay its debts in American gold, nor its consequent right of receiving for this gold what it is really worth. This surely cannot be denominated a dealing in coin, any farther than unavoidably results from having proprietary transactions, and using money. The very object for which the bank was created, was to deal in money, and it is a strange idea, that no such power exists because it is not expressly given in the charter. The power to deal in bullion was given expressly, only because it was not implied in the very nature of the transactions of a money dealing institution. Another topic has been, very unexpectedly to me, introduced into the report. A doubt seems to be entertained by the majority of the committee, as to the right of the bank to sell the government stock, for which it is subscribed, under the express authority of congress. Nothing can be more self evident, in my judgment, than the right of the bank to sell the stock which it holds by the authority of law. The act which authorized the bank to subscribe for this stock necessarily conveyed the right to sell it; as much as the authority to hold and convey the right to sell it. It is essentially involved in the elementary notion of property. One cannot be said to have a property in that which he cannot use as he pleases, in all modes not prohibited by law. To deny the right of the bank to sell its stock, would be to deny it the right of making use of its own property. The principal value of government stocks, as a bank investment, consists in its prompt convertibility into money; and in this view it is undoubtedly one of the most safe and beneficial investments a bank can make. It furnishes a resource to meet great emergencies in the money market which no other investment can furnish. The condition of the commercial community, and of the banks, would have been utterly disastrous in 1825, if the bank had not sold the government stocks for which it had subscribed in 1824. Every one must remember the memorable panic of 1825, produced by probably one of the greatest reversions in commerce the world has ever witnessed. It may now be diverted to as furnishing the most triumphant proof of the utility of the bank of the United States, and of the admirable state of soundness and security to which it has brought the banking system of this country. At that period it

was the currency of the country to a sound condition; and has preserved it in a state of soundness; which it never could do without having numerous and wide spread branches. He would call the attention of the House to the system of exchanges as now conducted by the Bank.

It had been one of the grounds of complaint when the subject was up before, and the fact had been adverted to in the present report, with an expression of doubt as to its propriety, that the mother Bank drew large amounts of specie from the west and south, and substituted for it its own paper. For himself, as interested in the business of cotton planting—as a southern man—he should not hesitate to say that this was one of the most beneficial of all the operations of the Bank. He would not ask a better exposition of the true federal character of the institution than this very operation of buying and selling of exchange. On examining the accounts of the Bank, the House would, indeed, find a large amount of specie drawn from the west and south; but they would also find that almost all of it came from New Orleans. Now every body knew that New Orleans was the great specie market of the United States. The whole returns of the South American trade came to New Orleans in the form of specie. The Bank transported this specie at less than half the price it would cost the owner to transport it. A citizen of Louisiana, for example, wished to pay a debt in New York, and the bank transmitted the specie to meet it. The whole matter amounted to this: that the bank, through its system of exchange, effected the object at a cheaper rate than any private individual could do. But it was not correct to affirm that the northern branches had drawn largely from the branches at the west, for they would find on the books of the bank a credit to the western branches to two or three times the amount of specie drawn from them; the bank had drawn 100,000 dollars in specie, yet it had also honored drafts from those branches to three and four times that amount. This was the operation of these drafts and checks which had been so warmly censured.

Mr. McD. said he would add a word or two upon another topic. The President of the Bank had adverted to the practice of the bank in selling bills of exchange on London having twelve months to run, to answer the demands of American merchants engaged in the East India trade.—This, he said, was one means of preventing the effects of the drain of specie formerly occasioned by this trade. A majority of the committee had expressed an opinion that this operation was injurious to the country. Mr. McD. said he would explain the true practical effect of this operation. According to the old usages of the East India Trade, the merchant about to engage in a voyage, purchased specie, and exported it to make his purchases abroad. Owing to the length of the voyage, this specie was purchased seven months before it could be used; so that the merchant lost the interest during that period. The effect was, that the whole country suffered the loss of interest on the whole capital employed in the East India trade during the whole length of the voyage. By substituting gold, this result was produced. When a merchant wished to embark in a voyage to Canton, the bank sold him a bill on London at six months sight (and which could not be paid till about twelve months after date.) The bank charged him no interest for the first six months before the bills were presented. The consequence was, that the bills on the bank of London were worth more than specie itself, for the merchant that accomplished all he desired, and during six months had to pay no interest. The East India trade, thus managed, did not produce that perpetual drain of specie which had formerly attended it.—A majority of the committee said that no real difference was produced by this arrangement, since the specie was only sent to London, instead of being sent to China or Hindostan. It was very true that the bill on London had to be paid, but they were not paid in specie; they were paid in the products of the Southern states; and here a new market was opened to Southern industry. The merchant purchased cotton goods in Liverpool, which, owing to the tariff or some other cause, he could not sell in the United States, but which were well adapted to the East India market; so that, in fact, the bills were exchanged for cotton, not for specie.—Thus much for the outcry about bills of exchange, an operation more really beneficial to the nation than almost any other that could be named.

interests of the community which had ever marked their course; and which so justly entitled them to the gratitude and confidence of the community, looked at the effects which must follow: they saw and knew that if the Government should go into such an operation immediately, it would produce a pressure upon the mercantile world that could not but issue in immense failures among the debtors of Government, as well as others. Nine millions of Government funds would fall due at New York before the close of the next quarter. It was therefore obvious that the Government would, in all probability, lose more by failures of its debtors than it could save in the interest of the stock. The Bank, then, acting in that spirit of solicitude which it had always shown for the safety and prosperity of the commercial community, proposed to Government to defer the operation; and as the Bank would have the use of the money in the mean while, to pay the interest. The Bank had no selfish interest in this proposal. It possessed ample resources to meet the demand. The only effect of doing so would have been to call in some of its discounts.

Mr. McD. would conclude his remarks on the subject of the Stocks by a few explanations, in reference to a question which had been proposed here, and which had produced in his mind a degree of excitement which some gentleman supposed to be uncalled for. One of the charges of the gentleman from Georgia against the Directors of the Bank had been, that they were in the habit of dealing as stockjobbers in the Public Stocks of the Government. Mr. McD. had stated at the time, that if that charge was true, it fixed a stigma on the reputation of those gentlemen, which was not lightly to be removed. Well, and how did the fact turn out? The explanation would lead to the statement of another very extraordinary transaction. The bank had been employed by the Secretary of the Treasury to buy up the 3 per cent. Stock. Some secret informer, (and there were many such) finding out, by prying into the affairs of the Bank, (as some persons did in a very improper manner,) that it was buying up the 3 per cent. Stock, forthwith set afloat a rumor that the Bank was speculating in government securities. That fact, among others, had been inquired into by the committee, and the result had been a full, prompt, and most triumphant explanation. This, however, the committee had not thought proper to spread upon their Report, and therefore he had given the explanation here.

Mr. McD. concluded by observing, that he should reserve any farther observations until the Report itself should appear.

HOUSE OF REPRESENTATIVES.

FRIDAY, MAY 11, 1832.

Mr. McDuffie, from the Select Committee appointed to examine the books and proceedings of the Bank of the United States, submitted the following as the views of the minority of the said committee.

The minority of the committee appointed to examine the books and proceedings of the Bank of the United States, dissenting from the report of the majority, beg leave to present the grounds of their dissent, for the consideration of the House.

The majority of the committee have submitted, without expressing any decided opinion on them, six cases which they allege to have become subjects of imputation against the bank, touching the violation of its charter.

The first of these cases relates to various loans, and occurred as far back as 1822, during the presidency Mr. Cheves. The Branch Bank of Lexington had received a large amount of the notes of the Bank of Kentucky, a portion of them as government deposits. These notes were considerably depreciated. The branch having declined issuing any of its own notes in obedience to orders of the mother bank, an individual applied for a loan of these depreciated bank notes, alleging that he wanted them to pay a debt, and that they would answer his purpose as well as any other bills. The loan was granted. The Bank of Kentucky was, at the time, regularly paying to the branch interest on these notes, and finally redeemed all that remained, a few months after the loan in question. It thus appears that these bills were as good as cash to

it had subscribed by the express authority of which government. Now it is apparent, that the evil of dealings 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 after 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 commote 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 authorizes 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.

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.

The other "donations" to which the report refers, consist of small sums contributed to fire insurance companies, for the safety of the bank property, and against which it is not pretended that any objection can be fairly raised.

The last ground of imputation, as touching the violation of the charter, is "building houses to rent or sell, and erecting other structures in aid of that object."

The bank is expressly authorized to purchase real estate; which has been mortgaged to secure debts previously contracted, and also such as may be sold under judgments and executions in its own favor. In the exercise of this right, the debtors of the bank are as much interested as the bank itself. For it must be apparent, that if the bank were not permitted to bid at these sales, the property of its debtors would be frequently sacrificed at a sum greatly below its value. It has been only for the purpose of saving itself from loss, and the property of its debtors from being thus sacrificed, that the bank has ever purchased any real estate, except what has been necessary for its banking houses. There is no description property which a banking institution is so unwilling to own as real estate. Such an institution is entirely unskilled in the management of such property, as much so as a farmer would be to manage the domains of a king.

Owing to the extensive failures of the persons indebted to the bank in the western country, 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 much as they could, consistently with the inter-

The directors were then assembled. I cheerfully forswore and I see no reason against this approach to a fair business transaction. I expressly say it ought to be granted, transmitted at the same time some of the which the directors were to form the meat, to which others were added by Mr. But when an old director of the bank 'cheerfully' an application to his ancient which he says should be treated as a 'transaction,' it implies certainly no respect; it may be well regarded as a declaration it. Under these auspices the bank to consider it.

One of the parties had been appointed President and Senate of the United States, to trial and lucrative post under the Government other had already invested \$33,000 in and his father-in-law, Mr. Stewart, who accompanied the application, was known wealthy man. Both were considered men and peculiar aptitude for the business in were engaged. Then what was that business?

It was the conducting of the largest newspaper in the country, requiring, of course, considerable and giving employment to a great mass of distributors. Its situation was represented to be Mr. Webb declared that there were then 3 subscribers at \$10, 2500 others at an average of \$4 50, 275 yearly advertisers at \$30, 310 days advertising, at \$55 per day,

Making Deducting from this 10 per cent. on the daily subscriptions and advertisements (of which about one-sixth is paid in advance) 5,850 and 20 per cent. on the other subscribers, say 2,070—

There remains a gross income of The annual expenses are stated at

Leaving a net annual income of This statement is confirmed by the affidavits book-keepers and pressmen of the establishment

The total value of the paper was thus stated James Webb had invested in it \$35,000, which \$40,000 had been off red, provided the half could be had for \$35,000. This he declines it is mentioned to prove that the whole might be sold for

Then it was an improving establishment.

It had owed a debt to the banks of which it had paid off in April and May, 1831, out of the collections of the last 6 months, which had amounted to It had in 1829, owed a total debt of which it had since paid off.

And at the present moment its outstanding claims were more than its debts by for its responsibilities and means exceed than. Outstanding debts in the country more than \$2 of which could be collected on presentation of bills, 10,

Due in New York more than four months subscriptions, which, with the unpaid arrears of the last six months, may be safely estimated at 20,0

And the property owned by the applicants amounted to 8,00

Making While the whole amount of the debt was 28,000

Leaving an excess of 10,000

That they had been deemed worthy of credit in New York, appeared from two facts.

1. That the banks of New York had lent them \$15,000, which they had repaid.

2. That the respectable mercantile house of J. L. & J. Joseph and Co., a firm well known to the directors, had lent them 20,000 dollars, which had been repaid out of the profits of the establishment, as those gentlemen themselves certify in a document accompanying the papers.

Finally, they had no accommodation, direct or indirect, out of any bank.

The case stood thus: Here are two persons of skill in their profession engaged in an establishment of 27,000

in this view it is undoubtedly one of the most safe and beneficial investments a bank can make. It furnishes a resource to meet great emergencies in the money market which no other investment can furnish. The condition of the commercial community, and of the banks, would have been utterly disastrous in 1825, if the bank had not sold the government stocks for which it had subscribed in 1824. Every one must remember the memorable panic of 1825, produced by probably one of the greatest revulsions in commerce the world has ever witnessed. It may now be adverted to as furnishing the most triumphant proof of the utility of the bank of the United States, and of the admirable state of soundness and security to which it has brought the banking system of this country. At that period it is well known that most of the country banks in England failed, and that the bank of England itself, an institution which has stood unmoved for more than a century, amidst political revolutions and commercial revulsions was on the very brink of failure. One of the most philosophical of the English writers on subjects of this sort, states that it was a providential circumstance alone that saved that bank from stopping payment. There can be no higher eulogium pronounced on the management of the bank of the United States, than to state the fact, that during the period of general consternation and disaster in the commercial world, not a single bank in the United States failed that had been considered solvent. It was by the sale of these government stocks, of which a portion of the committee have thought proper to complain, and this alone, that the bank of the United States was enabled to throw some ten or fifteen millions of capital into the active operations of the bank, in the form of discounts, and thus save the banks from failure, and the commercial community from general bankruptcy and ruin.

And here I will advert to a circumstance which deserves to be recorded, as an illustration of the judicious administration of the bank. The Chairman of the Select Committee asked the President to state the circumstances of a secret visit made by him to New York, in 1825, and whether it was not the object of that visit to obtain some aid for the bank to save it from failure. This question has not yet been formally answered by the President. He stated that he visited New York on the occasion referred to, not for the purpose of obtaining aid, but of granting it. The distress of the country had reached a crisis, and the panic was so great that a single indication of fear on the part of the bank would probably have produced a scene of general distress and bankruptcy. If the bank had attempted to save itself from danger by a bold and selfish policy, and commenced curtailing its discounts, no one can calculate the consequences. But the President pursued the very opposite policy, and the result proved that, in periods of great danger, true moral courage is the best source of security. Instead of obeying the instincts of fear, and ordering a curtailment of discounts, the President acted upon the higher impulse, and directed the branch at New York to extend its discounts freely, and relieve the community. This was promptly done, and as soon as it was ascertained, public confidence was restored, and the panic ceased. On such occasions as these, the smallest circumstance often produces the most important results; and I have not a doubt but that this bold and decisive, but judicious

draft of specie which had formerly attended it.—A majority of the committee said that no real difference was produced by this arrangement, since the specie was only sent to London, instead of being sent to China or Hindostan. It was very true that the bill on London had to be paid, but they were not paid in specie; they were paid in the products of the Southern states; and here a new market was opened to Southern industry. The merchant purchased cotton goods in Liverpool, which, owing to the tariff or some other cause, he could not sell in the United States, but which were well adapted to the East India market; so that, in fact, the bills were exchanged for cotton, not for specie.—Thus much for the outcry about bills of exchange, an operation more really beneficial to the nation than almost any other that could be named.

He was sorry that his duty obliged him to add a few remarks on a topic introduced in the conclusion of the Report, remarks which could do no good, and which might do much mischief. He knew that the Committee had no such view or intention, nor did he think they were themselves fully aware of the impression there conveyed. The Committee went into a comparison of the resources of the Bank in 1819 and at the present time; and which might, if explained, produce the impression that the resources of the Bank were not such that it would be able to meet its engagements, or at least, not without producing a great and injurious pressure on the commercial community. Mr. McD. said that he was content to risk reputation, what little of it he might have, that there was not in the United States or upon the face of the earth, a Bank (if the old Bank of Hamburg did not still exist,) that was more adequate to meet all its engagements, and that without any distressing call upon the community. The Committee had confined their view to the specie in the vaults of the Bank, and to the State Bank bills it held. Now it was true that the amount of specie, added to the debts of the State Banks to the Institution, amounted only to ten and a half millions, while the bills of their circulation amounted to twenty-one millions and a small fraction.—Now its circulation being twenty-one millions, he would inquire what were the resources of the Bank to meet it?—They consisted of seven millions of dollars in specie, two millions eight hundred thousand dollars in bills of State Banks, and seven hundred and fifty thousand dollars, in what was denominated the Reserved Fund: making in all eleven million five hundred and fifty thousand dollars in cash, in the vaults of the Bank, which could be paid at any moment. Its bills, then, amounted to twenty one millions, and the cash in its vaults to eleven and a half millions, a larger portion than existed in any other Bank in the country. But the Bank possessed another resource, which the Committee entirely overlooked, but which was equivalent to so much specie. It consisted of the drafts, furnished as bills of exchange; these amounted to twenty one millions. It was the business of the Bank to deal in exchange, and this formed no part of the discount system at all. The Bank bought the bills of merchants in New Orleans payable at New York, and which were based upon transactions in the produce of the South and the manufactures of the North. When a merchant in New Orleans sold the Bank a bill at 90 days, it was not considered as accommodation paper—because the drawer paid the bill when due; he did not

The first of these cases relates to usurious loans, and occurred as far back as 1822, during the presidency of Mr. Cheves. The Branch Bank of Lexington had received a large amount of the notes of the Bank of Kentucky, a portion of them as government deposits. These notes were considerably depreciated. The branch having declined issuing any of its own notes, in obedience to orders of the mother bank, an individual applied for a loan of these depreciated bank notes, alleging that he wanted them to pay a debt, and that they would answer his purpose as well as any other bills. The loan was granted. The Bank of Kentucky was, at the time, regularly paying to the branch interest on these notes, and finally redeemed all that remained, a few months after the loan in question. It thus appears that these bills were as good as cash to the bank, and the borrower alleged that they were of equal value to him. It is difficult to conceive any solid ground for considering this a case of usury. It would be as reasonable to say that it would have been usury for the Bank of Kentucky itself to make a loan of its own depreciated notes. The utmost fairness was exhibited by the branch bank in this transaction; the loan was made with reluctance after repeated applications, and yet the directors of the mother bank, many years afterwards, and since Mr. Biddle has been at the head of the institution, refunded 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. This has been also done in another similar case; so that, in the only two cases which have been brought to the view of the directors at Philadelphia for the purpose of having the amount of the appreciation refunded, the application has been granted with a promptness and liberality highly creditable to the institution.

The minority of the committee will barely remark upon these transactions, that being free from all imputations of intentional usury, and never having been sanctioned by the directors of the mother bank, but, on the contrary corrected, they cannot furnish the slightest ground for alleging that the charter has been violated.

The second ground of imputation noticed by the majority of the committee is, "the issuing of branch orders as circulation."

On this point, the minority deem it sufficient to remark, that a branch order is nothing more nor less than a draft or bill of exchange drawn by a branch upon the mother bank; and that the charter expressly authorizes, as one of the primary operations of the bank, the buying and selling of bills of exchange. If the bank has a right to issue these drafts at all, it cannot surely be made a ground of just complaint against it that they are used as circulation. That is exclusively the affair of the community. The bank cannot be justly made responsible for the use which the public may choose to make of these drafts. It is the high credit of the bank that gives the character of circulation to this paper; and it is the voluntary act of the community receiving it as such.

In fact, there is no part of the bank which has been so beneficial to the public. It has, in practice, furnished the southern and western states with the means of effecting their exchanges with the north, without any expense whatever.

It may be well doubted, however, whether an ex-

at these sales, the property of its frequently sacrificed at a sum great. It has been only for the purpose of loss, and the property of its debtors sacrificed, that the bank has ever parted with its property, except what has been necessary for the support of its branches. There is no description of a banking institution is so unwilling to part with its property, as the Bank of Kentucky. Such an institution is entirely unqualified for the management of such property, as it would be to manage the discounts of the bank. Owing to the extensive failures of the bank in the western part of the State, the directors were unavoidably obliged to take a very large quantity of real estate, as a means of avoiding still greater losses actually sustained. They have disposed of this real estate as rapidly as they could, consistently with the interests of the institution. On a portion of the real estate, they have erected improvements, to prepare it for sale, by means of which they will save the stockholders a great portion of the loss which would otherwise have occurred, and will recover a large debt which were some years ago set down as a loss. If, for this course of conduct, the directors are rendered obnoxious to censure, then they are to be commended for the very faithfulness of their conduct. It is too obvious to require, or to admit of argument, that the right of the bank to its real estate is inseparably connected with its right to purchase—to hold, or to own it. On this point the House is referred to the exposition of the case, marked A. The next subject to be considered is the report of the majority adverts, is the loss of the Watson, Webb and Co. It is proper to state in the first place, that the only sums ever loaned to the copartnership, were the sums of twenty, a thousand dollars, the former in August, and the latter in December, 1831. It is also proper to remark, that the first sum was reduced to \$18,000 at the maturity of the note given for it; and the second sum was entirely paid off in March last by the copartnership, as he expressly states on oath, without any assistance or assistance requested by the bank to do so. The whole of the accommodations ever obtained from the Watson, Webb and Noah, was \$35,000; and the amount now due by them is \$18,000.

The grounds and securities upon which the accommodations were granted will now be stated. The Watson, Webb and Noah, produced to the directors a full statement of the affairs of the copartnership, setting forth the value of their property, and the annual income of the copartnership from their paper. From this statement, which was authenticated by the oath of their book-keepers, it appeared that the net annual income of the copartnership, after deducting ten per cent. for bad debts, and after paying all the expenses of their establishment, was \$18,000. The whole, it appeared that this was one of the most profitable, as it is certainly the largest commercial enterprise in the Union, with an immense and increasing patronage, and a large and rapidly increasing list.

With these exhibits, Mr. Webb produced to the directors of the Bank of Kentucky, Mr. Walter Bowne, Mayor of the city of New York, and formerly a director of the Bank of the United States, a man of wealth and high character, enclosing the application for the loan, and stat-

tensive and permanent issue of these drafts might not prove very inconvenient to the bank itself, in a certain state of the domestic exchanges, and it would be, therefore, a judicious measure, to supersede the necessity in which these drafts originated, by authorizing other officers than the president and cashier of the mother bank, to sign notes for circulation.

Third ground of imputation, as relates to the violation of the charter, is, "the selling of coin, particularly American coin."

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 bank operations.

The fourth ground of imputation is "the sale of stock, obtained from Government, under special acts of Congress."

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

The right to sell therefore, is indisputable.

But the majority of the committee 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 such a right.

"he did so with pleasure, and saw no reason against this being treated as a *fair business transaction*." Several of the directors, as well as the president of the bank, were examined on oath, in relation to this transaction; and as the clearest mode of exhibiting its true character to the House, extracts of these examinations will be given.

The following is the testimony of Mr. Biddle relative to these loans:

Ques.—"Did you consider the loans made to James Watson, Webb and Co. fair business transactions, such as you could not refuse without subjecting the bank to the imputation of indulging political partiality? State fully the views and considerations on which you voted in favor of those loans."

Ans.—"I certainly considered them as fair business transactions, or I should not have consented to them. At the request of the committee I will explain the reasons of that opinion.

"If in making loans every transaction was perfectly safe, and every borrower perfectly good, banking would be an easy office; but as men generally borrow to employ the funds, in some profitable pursuit, subject of course to vicissitudes, all that can be expected in making loans is a fair and reasonable caution as to the situation and prospects of the borrower. Tried by these; the only tests, I think the loans in question are unexceptionable. The first was done by a board of directors, consisting, besides the presiding officer, of six gentlemen, Mr. Lippincott, Mr. Fisher, Mr. Bohlen, Mr. Neff, Mr. Platt & Mr. Willing, merchants, and men of business, with no partialities towards the applicants, with whom none of them had the least acquaintance. The ground of their judgment may be thus stated. In making ordinary loans the board judge by the general standing of parties without any examination of their affairs. But in this case the parties began by an exposition of their whole situation. This was forwarded by Walter Bowne, Esq. the Mayor of the city of New York, where the applicant resided, who, in addition to his being personally known and respected by all the members, had been one of the oldest directors of the Bank of the United States, and for many years sat at the board around which the directors were then assembled. In this letter he says, 'I cheerfully forward 'the papers,' and I see no reason against this application being treated as a fair business transaction.' He does not expressly say it ought to be granted, because he transmits at the same time some of the materials on which the directors were to form their own judgment, to which others were added by Mr. Webb.—But when an old director of the bank, forwards

Nine-tenths of the loans made of the bank, probably are made to persons to buy something, or to pay for something already bought. Men borrow money to buy a share in a ship—a share in a cargo—a share in a bank—a share in a canal—why not a share in a newspaper? The bank had no difficulty about the loan, because it was thought secure; nor about the object, because that was not the concern of the bank. It does not inquire, and does not care, where its money goes—its only anxiety is, that it should come safely back; and whether, in the interval, it is employed by a merchant, or a farmer, or a lawyer, or an editor, is a matter of which it takes no cognizance."

"In respect to loans generally to editors of newspapers, the bank proceeds on the principle of knowing no class of citizens, and proscribing none. Even with this rule, its situation in regard to such loans is a little peculiar. From the nature of their occupations, editors engaged in the discussion of matters of national concern, have generally expressed opinions in regard to the bank; and their dealings with the bank render it difficult to escape censure. When an editor, friendly to the bank applies for a loan, if it is granted it is ascribed to favoritism; if it is refused, the party naturally thinks it ingratitude. When an editor opposed to the bank applies for a loan, if it is granted, it is deemed an attempt to influence him, while if it is refused, it is called a persecution on account of his free opinions. The bank has endeavored in these matters rather not to deserve reproach than to escape it.

In reply to that part of the question which relates to politics, I believe that, if in granting the loans in question, there was insensibly blended with the mere business considerations any political feeling, it was probably this: that charged, as the bank habitually, is with hostility to the present administration, it was due to the interest of the stockholders to correct so unfounded an impression, when a fair opportunity occurred of giving accommodation to those who were considered as the most strenuous and efficient supporters of that administration. The directors of the bank understand too little of the subject to attempt to adjust the balance of accommodation to political parties nor have I myself ever had even curiosity sufficient to notice it, until the inquiry of the committee had suggested it. But, undoubtedly, as the committee cannot fail to perceive, by far the greatest amount of loans to editors is the friends of the present administration, and a large portion of that to the decided opponents of the bank."

All the directors who were examined, testified that they granted these loans under the full belief that they were safe loans, and Mr. Cope, a gentleman of intelligence and high character, gave the following explanation

ment, and not against the bank. When Congress expressly authorizes 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.

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.

The other "donations" to which the report refers, consist of small sums contributed to fire insurance companies, for the safety of the bank property, and against which it is not pretended that any objection can be fairly raised.

The last ground of imputation, as touching the violation of the charter, is "building houses to rent or sell, and erecting other structures in aid of that object."

The bank is expressly authorized to purchase real estate; which has been mortgaged to secure debts previously contracted, and also such as may be sold under judgments and executions in its own favor. In the exercise of this right, the debtors of the bank are as much interested as the bank itself. For it must be apparent, that if the bank were not permitted to bid at these sales, the property of its debtors would be frequently sacrificed at a sum greatly below its value. It has been only for the purpose of saving itself from loss, and the property of its debtors from being thus sacrificed, that the bank has ever purchased any real estate, except what has been necessary for its banking houses. There is no description property which a banking institution is so unwilling to own as real estate. Such an institution is entirely unsuited to the management of such property, as much so as a farmer would be to manage the discounts of a bank.

Owing to the extensive failures of the persons indebted to the bank in the western country, 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 interests of the institution. On a portion of it they have erected improvements, to prepare it for sale, and by

Making 68,650
Deducting from this 10 per cent. on the daily subscriptions and advertisements (of which about one-sixth is paid in advance) say 5,830
and 20 per cent. on the other subscribers, say 2,070—7,900

There remains a gross income of 60,750
The annual expenses are stated at 35,500

Leaving a nett annual income of 25,750

This statement is confirmed by the affidavits of the book-keepers and pressmen of the establishment.

The total value of the paper was thus stated:—James Watson Webb had invested in it \$33,000, for which \$40,000 had been offered, provided the other half could be had for \$25,000. This he declined, but it is mentioned to prove that the whole might have been sold for \$65,000

Then it was an improving establishment.

It had owed a debt to the banks of 15,000
which it had paid off in April and May, 1831, out of the collections of the last 6 months, which had amounted to 20,000

It had in 1829, owed a total debt of 29,000
which it has since paid off.

And at the present moment its outstanding claims were more than its debts by 10,000
for its responsibilities and means stood thus:

Outstanding debts in the country more than 25,000
of which could be collected on presentation of bills, 10,000

Due in New York more than four months subscription, which, with the unpaid arrears of the last six months, may be safely estimated at 20,000

And the property owned by the applicants amounted to 8,000

Making 38,000
While the whole amount of the debt was 28,000

Leaving an excess of 10,000

That they had been deemed worthy of credit in New York, appeared from two facts.

1. That the banks of New York had lent them \$15,000, which they had repaid.

2. That the respectable mercantile house of J. L. & J. Joseph and Co., a firm well known to the directors, had lent them 20,000 dollars, which had been repaid out of the profits of the establishment, as those gentlemen themselves certify in a document accompanying the papers.

Finally, they had no accommodation, direct or indirect, out of any bank.

The case stood thus: Here are two persons of skill in their profession engaged in an establishment of which the capital is 65,000
60,750

administration. Having invariably pursued a course in their transactions which recognised no distinction of political parties, it was very natural that, while laboring under the imputation just stated, they should have been scrupulous to avoid giving any color of foundation for it.

As the evidence and recommendation produced satisfied all the directors of the safety of the loan, they could not but feel that, if they refused to grant it, they would give countenance to an imputation which they were laudably anxious to avoid.

It is proper to add, that James Watson Webb, & Co. in their paper, the Courier and Enquirer, had declared themselves in favor of renewing the charter of the bank, some months before the application for their first loan; and that they stated to the directors, on making application for the first loan, that the bank of New York had cut them off from their accustomed facilities, as they believed, in consequence of their espousing the cause of the Bank of the United States.

It is also proper to add, in this place, that the loan of \$17,975 which was made in March, 1831, was not a loan to Webb and Noah, or to either of them. The money was borrowed by Silas E. Burrows, a man of large fortune, upon his own responsibility, without the knowledge of either Webb or Noah. They both testify that they had never been apprised that Mr. Burrows had obtained this loan from the bank, until a very short time previous to the visit of this committee to Philadelphia. They had, until that time, been under the impression that the money was obtained for them of Mr. Silas E. Burrows, in Connecticut. The following extract from the testimony of Mr. Biddle will exhibit a clear view of this transaction:

"These notes were discounted by the exchange committee under the resolutions just referred to.— They were done at the request of Mr. Silas E. Burrows, of New York. Mr. Burrows had, some time before, brought me a particular letter of introduction from an old friend, Mr. Monroe, the ex-president. Mr. Burrows had been very liberal to Mr. Monroe in his pecuniary misfortunes, and he had recently received from the President of the United States particular thanks and commendations for his generous conduct towards a Russian ship of war. I understood him to be a very rich merchant of kind and benevolent disposition, and constantly engaged in doing acts of liberality. In one of his visits to Philadelphia, he said, he was desirous of befriending Mr. Noah, and assisting him in the purchase of a share in a newspaper, and he asked if the bank would discount the notes of these parties—adding that, although, as a merchant, he did not wish to appear as a borrower, or put his name on a paper not mercantile, yet he would at any time do so whenever it might be necessary to secure the bank." The committee being authorized to discount any paper, the security of which they might approve, agreed to do them.

As Mr. Burrows was going out of town I gave him the money out of my own funds, and the notes

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 interests 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 great 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. It is too obvious to require, or to justify the use of argument, that the right of the bank to improve its real estate is inseparably connected with the right to purchase—to hold, or to own it. On this subject the House is referred to the exposition of the President, marked A. The next subject to which the report of the majority adverts, is the loan to James Watson, Webb and Co. It is proper to remark, in the first place, that the only sums ever loaned to this copartnership, were the sums of twenty, and of fifteen thousand dollars, the former in August, and the latter in December, 1831. It is also proper to remark, that that the first sum was reduced to \$18,000, at the maturity of the note given for it; and that the latter sum was entirely paid off in March last by Mr. Webb; and, as he expressly states on oath, without being requested by the bank to do so. The whole amount of the accommodations ever obtained from the bank by Messrs. Webb and Noah, was \$35,000; and the whole amount now due by them is \$18,000.

The grounds and securities upon which these accommodations were granted will now be stated. Mr. Webb produced to the directors a full statement of the affairs of the copartnership, setting forth the value of their property, and the annual income derived from their paper. From this statement, which was authenticated by the oath of their book-keepers, it appeared that the net annual income of the paper, from the advertisements and subscriptions was \$25,750, after deducting ten per cent. for bad debts, and defraying all the expenses of their establishment. Upon the whole, it appeared that this was one of the most profitable, as it is certainly the largest commercial newspaper in the Union, with an immense advertising patronage, and a large and rapidly increasing subscription list.

With these exhibits, Mr. Webb produced the letter of Mr. Walter Bowne, Mayor of the city of New York, and formerly a director of the Bank of the United States, a man of wealth and high character, enclosing the application for the loan, and stating that

many, they had no accommodation, direct or indirect, out of any bank.

The case stood thus: Here are two persons of skill in their profession engaged in an establishment of which the capital is

The gross income,	65,000
The expenditures,	60,750
And the nett income,	35,000
	25,750

In conducting such a business, where the receipts are semi-annual, the payments daily and weekly, they naturally require, like other men in business, some credit. They accordingly apply to borrow \$20,000. They wish to borrow it, not to pay previous debts, not to spend it on objects unconnected with their business, but for the purpose of employing it all in a way to increase the profits of the concern itself, by procuring a new press and enlarging their means of obtaining early commercial information, and thus make the paper more valuable.

“Now the statements may be presumed to present the most favorable aspect of the case, from the sanguine temper in which men are prone to estimate their own professions and prospects, and yet unless they were wholly fallacious, the board saw enough to warrant the loan. It was further justified by the event; for when the note fell due \$2000 were paid off at a time when the demand for money induced many other debtors to ask for a renewal of their notes.

“So much for the loan of \$20,000.”

The other loan rested on the same principles as the first, with this addition. The parties stated, that owing to the part which they had taken in regard to the Bank, they had been deprived of their usual accommodations in their business. Whatever might be the reason, the fact of an abridgment of these facilities furnished a reason for extending the loan in addition to the belief of its safety—which was, that by so doing, any hazard to the original loan might be prevented; and the best evidence of its security is, that *the parties have since repaid the loan.*

In regard to the other loans, which appear in their names, *they were given without any knowledge of their being discounted at the bank.* They were done at the request of a person of undoubted solidity, which has been proved in the most decisive way—by the actual payment of the notes. That they intended to aid Mr. Noah, the drawer of the notes, in purchasing a share in a newspaper, was stated at the time. But that formed no objection to them. He borrowed money as thousands borrow money every day, to employ it in his active business. If Mr. Noah himself applied to the bank for a loan to buy a share in a newspaper, and the security was satisfactory, the purpose of the loan would have made no difference.—

As Mr. Burrows was going out of town I gave him the money out of my own funds, and the notes were afterwards put in my possession. They remained with me for a long time, as I had no occasion to use the funds, nor was it till the close of the year that my attention, was called to them by the circumstance that, as a new board of directors, and a new committee of exchange would soon be appointed, the same committee which made the loan should consummate it. I had seen, also, in the public prints, many reproaches against the bank for lending money to printers and editors, and I was unwilling that any loan made by the bank should seem to be a private loan from one of its officers. Having no use for the money, it would have been perfectly convenient to let the loan remain as it was, but I thought it right that every thing done by the Bank should always be distinctly known and avowed and I therefore gave the notes to the Chairman of the committee, Mr. Thomas P. Cope, who entered them on the books—

On the 2d day of March, Mr. Burrows called at the bank and paid the notes. I ought to add that the loan was made at the request of Mr. Burrows, and that neither I nor any of the committee had ever seen Mr. Noah or Mr. Webb, or had any communication with them direct or indirect about the loan. It was made on the credit of Mr. Burrows, who afterwards paid it.

It appears that Messrs. Webb and Noah avowed themselves in favor of a renewal of the charter of the Bank of the United States on the 8th of April, 1821. It is difficult, therefore, to conceive what possible influence could have been produced upon their cause by a loan to Mr. Burrows, of which they had no knowledge. It is equally difficult to perceive how the loans of August and December 1831, could have had any possible agency in producing the change which it is alleged took place in the course of these editors upwards of four months before.

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 authorized 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,

*Col. R. M. Johnson.

