

## BANK OF THE UNITED STATES.

We coincide in opinion with President Jackson, that "both the constitutionality and the expediency of the law creating this Bank are well questioned by a large portion of our low citizens," and that "it must be admitted by all, that it has failed in the great end of establishing a uniform and sound currency."—For this opinion the President has been censured by the opposition prints, as interfering in matters with which he had no concern. This interference, say those *wise* and *patriotic* prints, has occasioned a shock in the money market, and a depreciation of the stock of the Bank.—The censure cast upon the President is so devoid of substance—so puerile, that we shall not attempt a vindication of the object he had in view, when he introduced that institution in his message. The President is bound by the constitution, to give to Congress information of the state of the Union, and to recommend to their consideration such measures as he shall judge necessary and expedient. And did he, in his message, place before Congress, for their consideration, a subject of more importance than the renewal of the charter of the Bank of the United States? Ought he to have hesitated to give his opinion, because that opinion might have a temporary effect upon the stock of the Bank? The opponents of the administration will have to turn their attention to some other acts of the President on which to display their abuse: they will not be countenanced by the people in their censure of him for the notice taken of the Bank of the United States.

The Bank has failed in establishing a uniform currency. It was our impression, when this institution was incorporated, that it would not accomplish the principal object of its charter. Though bearing the name of "Bank of the United States," and sometimes that of "National Bank," yet it is in great part a private institution; and as such, the interest of the stockholders has been, & will be, as long as it exists, of paramount consideration with the directors.—From the time it went into operation to this day, the Bank has been managed solely with the intent of promoting the interest of the stockholders. The facilities it afforded the Treasury of United States; the transmission of the public funds, free of cost, from one end of the United States to the other, to pay the expenses of the general government; and the duties of loan offices which the branches in the several states have performed; all these various operations were undertaken to monopolise the management of the whole revenue of the United States; to increase, extend, and maintain the credit of the mother Bank and branches; to repair the heavy losses it had sustained in the beginning of its operations; and especially to enable it to declare large dividends. This Bank never entertained the hope of establishing a uniform currency in the United States. If the endeavours and operations of the Bank had been directed to that object, the interest of the stockholders would have suffered, because the Bank would have had to issue at ~~least~~ one hundred millions in bills, the credit of which could have been sustained but at great sacrifice, in order to procure a sufficient amount of specie to meet the demands which would have been made upon it. The proportion of specie requisite to meet a circulation of one hundred millions in bills, would be about twenty millions; and certainly such an amount of specie, to be kept constantly returning into the vaults of the mother Bank and branches, as it is withdrawn, would occasion considerable expense, which inevitably must diminish the profits. The conclusion to be drawn from these remarks is, that if the directors of the Bank had strived to establish a uniform currency in the United States, success would have been the

result; but the stock holders would not have received the dividends which have been paid, and the stock would not be at the present time 20 per cent. above par. A moneyed institution, in which individuals are concerned, never will be able to establish on a safe basis its bills as the circulating medium of the country. In fiscal operations, the public interest and the interest of private individuals come too often in contact; and their clashing is injurious to both.

The objection, which had more weight with Congress, to a renewal of the charter of the old Bank of the United States, was, that the stock was owned principally by foreigners. If this objection existed then, and influenced Congress, does it not exist now with regard to the new Bank of the United States? It has been stated in Congress, a year or two ago, that a large portion of the stock of this Bank is owned in England. This has never been denied by the directors, nor by the friends of the institution. We can readily believe the statement, because the stock of the Bank is on "Change" in London, as much an object of speculation and stock jobbing, as the Consols, India stock, and Exchequer Bills. If then a portion of the stock is owned by foreigners, is it safe, is it prudent, to let an institution, with such a large capital, the ramifications of which cover the whole surface of the United States, exist, under a law and the patronage of the general government? If the charter were to be renewed, would not two thirds of the stock be, in a few years thereafter, in the hands of foreigners? Would not the operations of the institution be under the indirect but efficient control of those foreigners? Undoubtedly it would. Even at this time the foreign stockholders exercise a certain degree of influence in the operations of the Bank; and we have been informed that the directors have in more than one instance, consulted the interest of the foreign stockholders, before they determined on some important operations. The objection of foreigners owning stock would be, with us, of sufficient weight, if none other existed, to oppose the renewal of the charter.

There are other objections to this Bank, which in due time we will place before the public, exclusive of the unconstitutionality of its establishment. We shall, however, remark for the present, that the facilities this institution has afforded to the fiscal operations of the general government, would have been given with equal efficiency by the State Banks. And it is our firm belief, that, if the general government had employed the state banks, instead of the Bank of the United States, the sectional feelings and prejudices which unhappily have of late years arisen, would not have acquired that bitterness which at this time is so sensibly felt, not only in the proceedings of the federal, but in those of the state legislatures. Envy and jealousy would not threaten the peace of the country; and a monopolising spirit would not prevail in the measures recommended, and even adopted upon such recommendations, by one section of the Union to the detriment of other sections.

The Bank of the United States has been enabled not only to repair the immense losses it sustained at the commencement of its operations, but to pay a handsome dividend to the stockholders. All this has been done at the expense of the state banks. The sacrifices the state banks have been obliged to make, and the expense of redeeming their bills in specie, originated in the pressing demands of the Bank of the United States. At one time this Bank was on the point of shutting its doors—millions had been lost by the mismanagement and speculations of the directors: its credit was materially impaired. The Bank has retrieved its credit and its losses. To accomplish these objects, the state banks were sacrificed. The State Banks felt the pressure, which they could not resist; and they were permitted to breathe, only after the Bank of the United States had restored its shattered constitution to more healthful vigour; and this vigour has been used ever since to keep the local institutions in complete subserviency. And it is a notorious fact, that at the present time the Bank of the United States controls the operations of the state banks. These banks dare not extend their business, when it would be profitable to do so; they dare not accommodate creditors, when it would be safe and prudent to do so, in order to avoid unnecessary sacrifices; the Bank of the United States being always ready to come upon them, and press them for weekly and daily settlements. All these considerations lead us to support the President in his opinion with regard to the renewal of the charter of the Bank of the United States. Respecting the establishment of a bank founded upon the credit of the general government and its revenues, we shall in another number offer a few remarks, declaring beforehand that we are not the advocates of such a plan.