

position they stood for, I dare say a minute, striving to disengage from each other by successive wrenches; in one of which his grace's sword point got entangled in the guard of his lordship's, which in fact his lordship overlooked; so that this disadvantage was recovered by his grace, before the consequence which it might have brought on was executed.— At last, in a very strong wrench on both sides, their swords flew out of their hands; I dare say his lordship's flew six or seven yards upright. This incident however did not retard the affair a single moment, but both seizing their Thistles at the same time, the duel was renewed with as much malevolence as ever. By this time his lordship had received a thrust through the inner part of his sword arm, passing right forward to the exterior part of the elbow; his, at the same time passing a little over that of his antagonist, but alertly drawing back, I think partly before his grace had recovered his push, ran him through the body a little above the right pap.— His lordship's sword being thus engaged, nothing was left but his naked left arm, and his grace being in this dangerous situation, yet had fair play at almost any part of his lordship's body, yet he bravely put by several thrusts exactly levelled at his throat, till at last, having two fingers cut off by defending the pushes, and the rest mangled in a terrible degree, his grace lodged his sword one rib below his heart, and in this affecting condition they both stood, without either of them being able to make another push, and each of them by this time was in a manner covered with blood and gore; when both the seconds stepped in and begged they would consider their situation, and the good of their future state; yet neither would consent to part, until by the greater loss of blood which his lordship sustained in being first wounded, he fell down senseless, but in such a position that he drew his sword out of his grace's body; but recovering himself a little before he was quite down, faltered forward, and falling with his thigh across his sword, snapped it in the middle. His grace observing that he was no longer capable of defence, or sensible of danger, immediately broke his own, and fell on his body with the deepest signs of concern, and both expired before any assistance could be got, though Dr. Fountain had orders from his grace not to be out of the way in case he should be called upon that morning. Thus fell those two gallant men, whose personal bravery history can hardly equal, and whose honor nothing but such a cause could stain.

This anecdote was signed R. Deerhurst, who, it is presumed, was his grace's second.

P. S. In the above manuscript, several passages are quite defaced, especially the reign and year, which I make nothing of, at least reconcilable to history. The language I have modernized, partly through the whole, for the better perusal of my son, but the seven last lines are not one of them legible, though I believe them to contain reasons why the unhappy affair never got into history.

CONGRESS.

MR. M'DUFFIE'S REPORT

ON THE

BANK OF THE UNITED STATES.

CONCLUDED.

In confirmation of the views here presented, as to the comparative uniformity of the currency furnished by the bank, and, also, as to the obligation of the bank to redeem its bills, indiscriminately, at all the offices, the committee will present a few brief extracts from the speech of a statesman, whose opinions have every title to authority on these important subjects. Mr. Lowndes, in discussing the question, how far the bank had performed the great duty for which it was created, used the following decided language in 1819, when the currency had not reached the point of uniformity it has now attained by half of one per cent.

"The great object of the Government in chartering the bank, was to provide a currency which should have that degree of stability and uniformity in its value which is required by the interests both of our commerce and revenue. A currency, equally valuable at every place and every time, cannot be provided by human wisdom. The nearest approach to this object has been generally supposed to be afforded by the employment of gold and silver as the measures of value. The 14th Congress did not aim at ideal perfection; they wished to combine with the conveniences of bank circulation an uniformity of value equal to that which was possessed by the precious metals; and the means which they employed to secure this uniformity were simple and effectual, by enjoining, under a heavy penalty, the payment of all its notes in coin, upon demand. In the report, indeed, the notes of the national bank are said to be now 'on the same footing with those of local banks.' Of the footing on which local bank notes stood, he should speak hereafter; but the price current upon his table informed him, that the greatest discount on branch notes of the U. States Bank was three-fourths of one per cent. This was a value much more uniform than that which coin could be expected to have in so extensive a country. He had been lately looking into a book on political economy, which had been published here, with high, and, in respect to its clearness and precision, with just commendations, the work of Mr. Tracy. He inferred from one of his chap-

ters, that the difference of exchange between Marseilles and Paris was often from two to three per cent. If, with all the facilities afforded by the internal improvements in which France is so rich, with a currency, consisting almost exclusively of gold and silver, the variation in the value of money is three times greater in her territory than on our continent, can it be said, that, in this respect, the bank has not fulfilled the objects of its institution? Before its establishment, the value of bank notes, even in the commercial States, had varied twenty per cent. from each other; and, as none of them bore a fixed proportion to the precious metals, or to any natural standard, it was impossible to assign any limit to their depreciation. You have required that the currency furnished by the national bank should be every where convertible into silver, and it is so. You have expected that it should be as uniform as coin, and it is more so. He would not detain the committee by reading a paper, which he had prepared with that intention, containing the state of exchange, since the establishment of the bank, with England, France, and Holland: for he found himself occupying much more of their time than he had expected. But he believed that any member, who should turn his attention to the subject, would remark its steadiness during that period.— He thought himself justified in drawing from this fact a conclusion highly favorable to the bank."

In reference to the great depreciation of the paper of the local banks, previous to the establishment of that of the United States, he said:

"Did the interests or duty of the Government of the United States permit that this currency should be received by it?— Some dissatisfaction was expressed because the branch notes of the U. States' Bank were at a discount of three-fourths of one per cent. He read from a price current the state of the market for bank notes, by which it appeared that notes, which were insisted to be in very good credit, varied from a discount of two and a half to one of seven, fifteen, twenty-five, and even thirty per cent. Was our revenue to be received in these notes?— How were they to be employed? They might be expended in the district in which they were issued. But was the expenditure of every district to be exactly limited to its revenue? What became of the Union if it were so? He spoke of the thing, and not of the name. Our Union might dissolve in imbecility as well as be destroyed by violence. Did not union imply, that the resources of one State, its money as well as its men, might be employed for the defence of another?"

"But, if the Government were willing to bear the loss of a depreciated and unequal currency, it must neglect the plainest principle of the Constitution in doing so— equality of taxation. The Committee must well remember, that, before the establishment of the National Bank, such was the unequal value of currency in the different States, that the merchants paid duties, varying fifteen per cent. from each other, on the same articles."

On the question, whether the bank was bound to redeem, indiscriminately, the bills of all its branches, he said:

"He should not argue that the bank was not bound to pay its notes, indiscriminately, at all its offices. He believed that nobody now contended that it was."

"It was no unfair account of the practical operation of the system of which he was speaking, to say that it gave to the branches where the exchange was unfavorable, the entire disposition of the specie of those branches where the exchange was favorable. Upwards of six millions of specie have been sent to the branch of New York, besides the amount which has been paid by the subscribers of the bank there; but, in issuing notes which the bank of New-York has been obliged to redeem, every branch throughout the country has drawn upon a fund, with whose condition at the time it could not be acquainted."

"Such a system might be expected to produce inconvenient changes in the distribution of bank capital, an extreme facility of obtaining loans at one time, and unexpected contractions of discount at another."

"Whenever the state of exchange is unfavorable, whenever the just principles of banking require a reduction of discounts, then, under this system of indiscriminate payment of its notes, the bank has nothing to fear from a draught of specie, and is encouraged to lend to every applicant. Wherever the exchange is favorable, and on the sound principles of banking, an enlarged accommodation might be given to the community—there the flow of notes from every State whose exchange is unfavorable, contracts or suspends all the operations of the bank. Thus, wherever discounts should be enlarged, the tendency of this system is to reduce them, and to enlarge them wherever they should be reduced."

Independently of the gross injustice of requiring the bank to perform all the exchanges of this extensive confederacy without any compensation, these enlightened views show most conclusively its inexpediency and injustice, as it regards the different sections of the Union. It would inevitably render those parts of the Union where the bank issues were prudent and moderate, tributary to those where the issues were injudicious and excessive. In this way, the very inequality in the currency, which the bank was designed to

correct, would be perpetuated by the vain attempt to make it perform impossibilities. The power of annihilating space, of transporting money or any other article to the most distant points, without the loss of time or the application of labor, belongs to no human institution.

But the salutary agency of the Bank of the United States, in furnishing a sound and uniform currency, is not confined to that portion of the currency which consists of its own bills. One of the most important purposes which the bank was designed to accomplish, and which, it is confidently believed, no other human agency could have effected, under our federative system of Government, was the enforcement of specie payments on the part of numerous local banks, deriving their charters from the several States, and whose paper, irredeemable in specie, and illimitable in its quantity, constituted the almost entire currency of the country.— Amidst a combination of the greatest difficulties, the bank has almost completely succeeded in the performance of this arduous, delicate, and painful duty. With exceptions, too inconsiderable to merit notice, all the State banks in the Union have resumed specie payments. Their bills, in the respective spheres of their circulation, are of equal value with gold and silver; while, for all the operations of commerce, beyond that sphere, the bills or the checks of the Bank of the United States are even more valuable than specie. And even in the very few instances in which the paper of State banks is depreciated, those banks are winding up their concerns; and it may be safely said, that no citizen of the Union is under the necessity of taking depreciated paper, because a sound currency cannot be obtained. North-Carolina is believed to be the only State where paper of the local banks is irredeemable in specie, and consequently depreciated. Even there, the depreciation is only one or two per cent., and what is more important, the paper of the Bank of the United States can be obtained by all those who desire it, and have an equivalent to give for it.

The committee are aware, that the opinion is entertained by some, that the local banks would, at some time or other, either voluntarily, or by the coercion of the State Legislatures, have resumed specie payments. In the very nature of things this would seem to be an impossibility. It must be remembered that no banks ever made such large dividends as were realized by the local institutions, during the suspension of specie payments. A rich and abundant harvest of profit was opened to them, which the resumption of specie payments must inevitably blast.— While permitted to give their own notes, bearing no interest, and not redeemable in specie, in exchange for better notes bearing interest, it is obvious, that the more paper they issued, the higher would be their profits. The most powerful motive that can operate upon monied corporations, would have existed, to prevent the State banks from putting an end to the very state of things, from which their excessive profits proceeded. Their very nature must have been changed, therefore, before they could have been induced to co-operate, voluntarily, in the restoration of the currency. It is quite as improbable that the State Legislatures would have compelled the banks to do their duty.— It has already been stated, that the tendency of a depreciated currency to attract importations to the points of greatest depreciation, and to lighten the relative burthens of federal taxation, would naturally produce, among the States, a rivalry in the business of excessive bank issues. But there remains to be stated, a cause of more general operation, which would have prevented the interposition of the State Legislatures to correct those issues.

The banks were, directly and indirectly, the creditors of the whole community, and the resumption of specie payments necessarily involved a general curtailment of discounts, and withdrawal of credit, which would produce a general and distressing pressure upon the entire class of debtors. These constituted the largest portion of the population of all the States where specie payments were suspended, and bank issues excessive. Those, therefore, who controlled public opinion in the States, where the depreciation of the local paper was greatest, were interested in the perpetuation of the evil. Deep and deleterious, therefore, as the disease evidently was, in many of the States, their Legislatures could not have been expected to apply a remedy, so painful as the compulsion of specie payments would have been, without the aid of the Bank of the United States. And here it is worthy of special remark, that, while that bank has compelled the local banks to resume specie payments, it has most materially contributed, by its direct aid and liberal arrangements, to enable them to do so, and that with the least possible embarrassment to themselves and distress to the community. If the State Legislatures had been ever so anxious to compel the banks to resume specie payments, and the banks ever so willing to make the effort, the committee are decidedly of the opinion that they could not have done it, unaided by the Bank of the United States, without producing a degree of distress incomparably greater than has been actually experienced. They will conclude their remarks on this branch of the subject by the obvious reflection, that, if Congress, at the close of the war, had left it to the States to restore the disordered currency,

this important function of sovereignty would have been left with those from whom the Constitution has expressly taken it, and by whom it could not be beneficially or effectually exercised. But another idea, of considerable plausibility, is not without its advocates. It is said that this Government, by making the resumption and continuance of specie payments the condition upon which the State banks should receive the Government deposits, might have restored the currency to a state of uniformity. Without stopping to give their reasons for believing that specie payments could not have been restored in this way, and that, even if they could, a uniform currency of general credit, throughout the Union, would not have been provided, the committee will proceed to give their reasons for thinking that such a connexion between the Federal Government and the State banks would be exceedingly dangerous to the purity of both. While there is a National Bank, bound by its charter to perform certain stipulated duties, and entitled to receive the Government deposits as a compensation, fixed by the law creating the charter, and only to be forfeited by the failure to perform those duties, there is nothing in the connexion at all inconsistent with the independence of the bank, and the purity of the Government. The country has a deep interest that the bank should maintain specie payments, and the Government an additional interest that it should keep the public funds safely, and transfer them, free of expense, wherever they may be wanted. The Government, therefore, has no power over the bank, but the salutary power of enforcing a compliance with the terms of its charter. Every thing is fixed by the law, and nothing left to arbitrary discretion. It is true that the Secretary of the Treasury, with the sanction of Congress, would have the power to prevent the bank from using its power unjustly and oppressively, and to punish any attempt, on the part of the Directors, to bring the pecuniary influence of the institution to bear upon the politics of the country, by withdrawing the Government deposits from the offending branches.— But this power would not be lightly exercised by the Treasury, as its exercise would necessarily be subject to be reviewed by Congress. It is, in its nature, a salutary corrective, creating no undue dependence on the part of the bank.

But the state of things would be widely different, if there was no National bank, and it was left to the discretion of the Secretary of the Treasury to select the local banks in which the Government deposits should be made. All the State banks would, in that case, be competitors for the favor of the Treasury; and no one, who will duly consider the nature of this sort of patronage, can fail to perceive, that, in the hands of an ambitious man, not possessed of perfect purity and unbending integrity, it would be eminently dangerous to the public liberty. The State banks would enter the lists of political controversy, with a view to obtain this patronage; and very little sagacity is required to foresee, that, if there should ever happen to be an administration disposed to use its patronage to perpetuate its power, the public funds would be put in jeopardy by being deposited in banks unworthy of confidence, and the most extensive corruption brought to bear upon the elections throughout the Union. A state of things more adverse to the purity of the Government—a power more liable to be abused—can scarcely be imagined. If five millions of dollars were annually placed in the hands of the Secretary of the Treasury, to be distributed at his discretion, for the purposes of internal improvement, it would not invest him with a more dangerous and corrupting power.

In connexion with this branch of the subject, the committee will briefly examine the grounds of a complaint, sometimes made against the Bank of the United States. It is alleged that this bank, availing itself of the government deposits, consisting in some places principally of local paper, makes heavy and oppressive draughts on the local banks for specie, and thus compels them to curtail their discounts, to the great injury of the community. In the first place, it is to be remarked, that one of the highest duties of the bank—the great object for which it was established—was to prevent the excessive issues of local paper; and this duty can only be performed, by enforcing upon the State banks the payment of specie for any excess in their issues. But the committee are induced to believe, that this complaint is principally owing, so far as it now exists, to the fact, that the operations of the Federal Treasury are mistaken for the operations of the bank, because the bank is the agent by whom those operations are performed. This institution receives the Government deposits in the paper of the local banks, certainly in no spirit of hostility to those banks. On the contrary, it tends to give them credit, and is designed to have that effect. But the Bank of the United States is not only bound to pay in specie, or its own bills, what it receives for the Government in local paper, but to transfer the funds to any part of the Union where they may be required for disbursement. Let it be assumed, that the Government collects annually, at the Customhouse in Charleston, one million of dollars in local bank notes, and disburses in South Carolina only one hundred thousand, it would result from this, that the Government would have nine hundred thousand dollars of local bank paper de-

posited in the Charleston branch, which the bank would be bound by its charter, and for the national benefit, to transfer perhaps to Washington or Norfolk. As this paper would not answer the purposes of the Government at those places, the bank would be, of course, compelled to provide specie, or bills that will command specie at those places. It is obvious, then, that it is the inequality in the collection and disbursement of the revenue, that produces the evil in question. If all the revenue collected in Charleston were disbursed in the State, no draughts would be made upon the local banks for specie.—The Bank of the United States, so far from being justly obnoxious to any complaint on this score, has greatly mitigated the action of the Treasury upon the local banks, by means of the liberal arrangements, which its large capital and numerous branches have enabled it to make with them. The degree in which that institution has reduced the rate of exchange, may be fairly assumed as that in which it has mitigated the action of the Treasury upon the State banks. If, for example, there existed no national bank, and the deposits of the revenue collected in Charleston were made in one of the local banks, what would be the effect of transferring, annually, nine hundred thousand dollars to Washington or Norfolk? The local banks, having no branches at either of those places, instead of transmitting draughts, as is now generally done, would be compelled to transmit specie. The bank in which the Government deposits were made, would consequently be under the necessity of demanding specie from all the other banks, in a manner, and to an extent, much more oppressive than anything that can be imputed to the Bank of the United States. If, to avoid these specie draughts, the local banks should purchase bills on Washington or Norfolk, they would probably cost five or six per cent. even in a tolerable state of the currency, which would be a loss to the banks almost to the full extent of the premium.

Although the expediency of renewing the charter of the present bank is not a question now submitted for the decision of Congress, the committee consider it so far involved in the matter referred to them, as to render it their duty to present some considerations bearing on that question, in addition to what they have said on the general expediency of maintaining such an institution. If a national bank, similar to the present, be a necessary and proper agent for the accomplishment of the great purposes heretofore indicated, the only remaining question would seem to be, whether the charter of the present stockholders should be renewed, or a new set of stockholders incorporated.

In considering this question, Congress will, of course, be governed in some degree, by the terms on which the present stockholders will agree to accept a renewal of their charter. But, as the committee have satisfactory reasons for believing that terms eminently advantageous to the Government can be obtained, they will proceed to some other inquiries. What, then, would be the effect of refusing to renew the present charter? And, in the first place, what are the inducements, for pursuing that course?

It is sometimes alleged that the present stockholders, are large capitalists, and, as the stock of the bank is some 20 per cent. above par, that a renewal of the charter would be equivalent to a grant to them of 20 per cent. upon their capital.—It is true that a small proportion of the capital of the company belongs to very wealthy men. Something more than two millions of that owned in the United States belongs to persons holding upwards of one hundred thousand dollars each. It is also true that foreigners own seven millions, or one-fifth of the capital. But, on the other hand, it is to be remarked that, the Government, in trust for the people of the United States, holds seven millions; that persons owning less than five thousand dollars each, hold four millions six hundred and eighty-two thousand; and that persons owning between five and ten thousand dollars each, hold upwards of three millions. It is also worthy of remark, that a very considerable portion of the stock—very nearly six millions—is held by trustees and guardians, for the use of females and orphan children, and charitable and other institutions. Of the twenty-eight millions of the stock which is owned by individuals, only three millions four hundred and fifty-three thousand is now held by the original subscribers. All the rest has been purchased at the market prices—a large portion of it, probably, when those prices were higher than at present. Most of the investments made by wills, and deeds, and decrees in equity, for the use of females and minors, are believed to have been made when the stock was greatly above par. From this brief analysis, it will appear that there is nothing in the character or situation of the stockholders, which should make it desirable to deprive them of the advantage which they have fairly gained, by an application of their capital to purposes highly beneficial, as the committee have attempted to shew, to the Government and people of the United States. If foreigners own seven millions of the stock of the bank, our own government owns as much; if wealthy men own more than two millions, men in moderate circumstances own between seven and eight millions; and widows, orphans, and institutions devoted to charitable and other purposes, own nearly six millions.

But the objection that the stock is owned by men of large capital would apply with equal, if not greater force, to any bank that could be organized. In the very nature of things, men who have large surplus capitals are the principal subscribers at the first organization of a bank.—Farmers and planters, merchants and manufacturers, having an active employment for their capitals, do not choose to

be the first adventurers in a bank project. Accordingly, when the present bank went into operation, it is believed that most of the capital was owned by large capitalists, and under a much more unequal distribution than exists at present. The large amount of stock now held in trust for females and minors, has been principally, if not entirely, purchased since the bank went into operation; and the same remark is generally applicable to the stock in the hands of small holders. It is only when the character of a bank is fully established, and when its stock assumes a steady value, that these descriptions of persons make investments in it.

It is morally certain, therefore, that, if another distinct institution were created, on the expiration of the present charter, there would be a much greater portion of its capital subscribed by men of large fortunes, than is now owned by persons of this description, of the stock of the United States' Bank. Indeed, it might be confidently predicted, that the large capitalists who now hold stock in that bank, would, from their local position and other advantages, be the first to forestall the subscriptions to the new bank, while the small stockholders, scattered over the country, would be probably excluded, and the females and minors, and others interested in trust investments made by decrees in equity, would be almost necessarily excluded, as the sanction of a court could scarcely be obtained, after the passage of the new act of incorporation, in time to authorize a subscription.

To destroy the existing bank, therefore, after it has rendered such signal services to the country, merely with a view to incorporate another, would be an act rather of cruelty and caprice, than of justice and wisdom, as it regards the present stockholders. It is no light matter to depreciate the property of individuals, honestly obtained, and usefully employed, to the extent of five millions six hundred thousand dollars, and the property of the Government, to the extent of one million four hundred thousand dollars, purely for the sake of change. It would indicate a fondness for experiment, which a wise Government will not indulge upon slight considerations.

But the great injury which would result from the refusal of Congress to renew the charter of the present bank, would, beyond all question, be that which would result to the community at large. It would be difficult to estimate the extent of the distress which would naturally and necessarily result from the sudden withdrawal of more than forty millions of credit, which the community now enjoys from the bank. But this would not be the full extent of the operation. The Bank of the United States, in winding up its concerns, would not only withdraw its own paper from circulation, and call in its debts, but would unavoidably make such heavy draughts on the local institutions for specie, as very greatly to curtail their discounts. The pressure upon the active, industrious, and enterprising classes, who depend most on the facilities of bank credit, would be tremendous. A vast amount of property would change hands at half its value, passing under the hammer, from the merchants, manufacturers, and farmers, to the large monied capitalists, who always stand ready to avail themselves of the pecuniary embarrassments of the community. The large stockholders of the present bank, the very persons whose present lawful gains it would be the object of some to cut off, having a large surplus money capital thrown upon their hands, would be the very first to speculate upon the distresses of the community, and build up princely fortunes upon the ruins of the industrious & active classes. On the other hand, the females & minors, and persons in moderate circumstances, who hold stock in the institution, would sustain an injury, in no degree mitigated by the general distress of the community.

A very grave and solemn question will be presented to Congress, when they come to decide upon the expediency of renewing the charter of the present bank. That institution has succeeded in carrying the country through the painful process necessary to cure a deep seated disease in the national currency. The nation, after having suffered the almost convulsive agonies of this necessary remedy, is now restored to perfect health. In this state of things, it will be for Congress to decide, whether it is the part of wisdom to expose the country to a degree of suffering almost equal to that which it has already suffered, for the purpose of bringing back that very derangement of the currency, which has been remedied by a process, as necessary as it was distressing.

If the Bank of the United States were destroyed, and the local institutions left without its restraining influence, the currency would almost certainly relapse into a state of unsoundness. The very pressure which the present bank, in winding up its concerns, would make upon the local institutions, would compel them either to curtail their discounts when most needed, or to suspend specie payments. It is not difficult to predict which of these alternatives they would adopt, under the circumstances in which they would be placed. The imperious wants of a suffering community would call for discounts, in language which could not be disregarded. The public necessities would demand, and public opinion would sanction, the suspension, or at least an evasion, of specie payments.

But, even if this desperate resort could be avoided in a period of peace and general prosperity, neither reason nor experience will permit us to doubt that a state of war would speedily bring about all the evils which so fatally affected the credit of the Government and the national currency, during the late war with Great Britain. We should be again driven to the same miserable round of financial ex-

pedients, which, in little more than two years, brought a wealthy community almost to the very brink of a declared national bankruptcy, and placed the Government completely at the mercy of speculating stock-jobbers.

The committee feel warranted, by the past experience of the country, in expressing it as their deliberate opinion, that, in a period of war, the financial resources of the country could not be drawn into efficient operation without the aid of a national bank, and that the local banks would certainly resort to a suspension of specie payments. The maxim is eminently true in modern times, that money is the sinew of military power. In this view of the subject, it does appear to the committee, that no one of the institutions of the country, not excepting the army or navy, is of more vital importance than a national bank.—It has this decided advantage over the army and navy: while they are of scarcely any value except in war, the bank is not less useful than either of them in war, & is also eminently useful in peace. It has another advantage, still greater. If, like the army or navy, it should cost the nation millions annually to sustain it, the expediency of the expenditure might be doubted. But, when it actually saves to the Government and to the country, as the committee have heretofore attempted to show, more millions annually than are expended in supporting both the army and navy, it would seem that, if there was any one measure of national policy, upon which all the political parties of the country should be brought to unite, by the impressive lessons of experience, it is that of maintaining a national bank.

It is due to the persons, who, for the last ten years, have been concerned in the administration of the bank, to state, that they have performed the delicate and difficult trust committed to them, in such a manner, as, at the same time, to accomplish the great national ends for which it was established, and promote the permanent interest of the stockholders, with the least practicable pressure upon the local banks. As far as the committee are enabled to form an opinion, from careful inquiry, the bank has been liberal and indulgent in its dealings with these institutions, and, with scarcely an exception, now stands in the most amicable relation to them. Some of those institutions have borne the most disinterested and unequivocal testimony in favor of the bank.

It is but strict justice also to remark, that the direction of the mother bank appears to have abstained, with scrupulous care, from bringing the power and influence of the bank to bear upon political questions, and to have selected, for the direction of the various branches, business men in no way connected with party politics. The committee advert to this part of the conduct of the directors, not only with a view to its commendation, but for the purpose of expressing their strong and decided conviction that the usefulness and stability of such an institution will materially depend upon a steady and undeviating adherence to the policy of excluding party politics and political partisans from all participation in its management. It is gratifying to conclude this branch of the subject, by stating, that the affairs of the present bank, under the able, efficient, and faithful guidance of its two last presidents and their associates, have been brought from a state of great embarrassment into a condition of the highest prosperity. Having succeeded in restoring the paper of the local banks to a sound state, its resources are now such as to justify the directors in extending the issue & circulation of its paper so as to satisfy the wants of the community, both as it regards bank accommodations and a circulating medium. Upon the soundest principles of banking, the very ample resources of the institution would justify the directors in granting accommodations to a much greater extent than they have yet done; and though they have increased the circulation of their paper from four and a half to fourteen millions, since January, 1823, they are ready and willing to increase it still further, by discounting bills of exchange and other business paper.—It is believed that the discounts and issues of the institution are now actually limited by the want of applications resting upon these, the only substantial and safe foundations of bank credit and circulation.

III. Having said thus much on the constitutionality and expediency of an incorporated National Bank, the only question which remains to be examined by the committee is, the expediency of establishing "a National bank founded upon the credit of the Government and its revenues."

It is presumed to have been the intention of the President, in suggesting the inquiry as to a bank founded upon the credit and revenues of the Government, to be understood as having allusion to a bank of discount and deposits. Such a bank, it is taken for granted, would have branches established in various parts of the Union, similar to those now established by the Bank of the United States, and co-extensive with them. The great object of furnishing a national currency could not be accomplished, with an approach to uniformity, without the agency of such branches; and another object, second only in importance to the one just stated, the extension of the commercial facilities of bank accommodations to the different parts of the Union, could not be at all affected without such agency. If there should be simply a great central bank established at the seat of Government, without branches to connect its operations with the various points of the commerce of the Union, the promise to pay specie for its notes, whenever presented, would be almost purely nominal. Of what consequence would it be to a merchant or planter of Louisiana, or a manufacturer or farmer of Maine, that he could obtain specie

for bills of the National Bank, on presenting them at the City of Washington—a place wholly unconnected either with Louisiana or Maine by any sort of commercial intercourse, & where, consequently, these bills would never come in the regular course of trade? A promise to pay specie at a place so remote from the place of circulation, and where the bills would never come but at a great expense, and for the sole purpose of being presented for payment, would neither give credit to the notes, nor operate as an effective check upon excessive issues. Whatever credit such notes might have, at a distance from the place of issue, would not be because they were redeemable at the pleasure of the holder—for such would not be the fact; but principally, because of the ultimate responsibility of the government, and of their being receivable in payment of all dues to the Treasury. They would rest, therefore, upon almost precisely the same basis of credit as the paper money of our Revolution, the assignats of Revolutionary France, and the Treasury notes of the late war. These were receivable in discharge of debts due to the Treasury, and the Government was of course ultimately responsible for their payment—yet the two former depreciated almost to nothing, and the latter, though bearing interest, sunk to 20 per cent. below par. But the notes of a Central Government Bank, without branches, would be subject to depreciation from a cause which constitutes a conclusive objection to such an institution. *There would be nothing to limit excessive issues but the discretion and prudence of the Government or of the direction.* Human wisdom has never devised any adequate security against the excessive issues, and, consequently, the depreciation of bank paper, but its actual, and easy, and prompt convertibility into specie at the pleasure of the holder.—Experience has shown that, where the paper of a bank is, by any means, habitually circulated at places remote from the point where it is issued, and not connected with it by a regular commercial intercourse, there will not exist that easy and prompt convertibility which is so essential to the credit of bank paper. When bank bills are confined to their appropriate sphere of circulation, a redundant issue is certainly and immediately followed by a run upon the bank for specie. This timely admonition is as useful to the bank as it is to the community: for it enables the directors to avoid, with unfailing certainty, an excess equally injurious to both, and which no human sagacity could anticipate or prevent by calculation merely. Whatever, therefore, in a system of bank circulation, prevents the reflux of redundant issues, necessarily destroys the only adequate security against these injurious and ruinous excesses.

But a Government Bank, without branches, would be obnoxious to another objection, which could not be obviated.—Its loans would be confined to the District of Columbia: or if extended to the various parts of the Union—to say nothing of the inconvenience to which it would expose those at a distance who obtained accommodations—they would be unavoidably granted without any knowledge of the circumstances of the persons upon whose credit the Government would depend for re-payment. It would, in fact, be, for all useful purposes, a mere District Bank.

These views of the subject have brought the committee to the conclusion, that, if a Government Bank should be established, it would have at least as many branches as the Bank of the U. States, and probably a much greater number.—Few administrations would have the firmness to resist an application to establish a branch, coming from any quarter of the Union, however injudicious the location might be, upon correct principles of commerce and banking.

The Bank of the United States employs five hundred agents in the various parts of the Union where its offices are established. From this fact some idea may be formed of the very great addition which would be made to the patronage of the Executive Government by the establishment of such a bank as the one under consideration.

But the patronage resulting from the appointment—the annual appointment—of these agents, great as it would doubtless be, would be insignificant and harmless, when compared with that which would result from the dispensation of bank accommodations to the standing amount of at least fifty millions of dollars! The mind almost instinctively shrinks from the contemplation of an idea so ominous to the purity of the government and the liberties of the people. No government of which the committee have any knowledge, except, perhaps, the despotism of Russia, was ever invested with a patronage at once so prodigious in its influence and so dangerous in its character. In the most desperate financial extremities, no other European government has ever ventured upon an experiment so perilous. If the whole patronage of the English monarchy were concentrated in the hands of the American Executive, it may be well doubted whether the public liberty would be so much endangered by it as it would by this vast pecuniary machine, which would place in the hands of every administration fifty millions of dollars, as a fund for rewarding political partisans.

Without assuming that a corrupt use would be made of this new species of government patronage, a very slight acquaintance with the practice of all political parties, whatever may be their professions, will be sufficient to satisfy any reflecting mind, that all the evil consequences of corruption would flow from its exercise. Have not our political contests too frequently degenerated into a selfish scramble for the offices of the country?—Are there not those who sincerely and honestly believe that these offices are legitimate objects of political warfare, and the rightful reward of the victorious party? And, disinterested and patriotic as the great body of every political party is admitted to be, the fact is no less true than it is lamentable, that the most devoted and active partisans are very often mere soldiers of fortune, who watch the political signs, and enlist, at the eleventh hour, under the banners of the party most likely to prove successful. Such being, more or less, the composition of all political parties, what would be the probable use made of fifty millions of bank patronage, by a political party which conscientiously held the doctrine that all the offices in the gift of the Executive should be divided among the partisans of a successful political leader? Would not the same principle be even more applicable to bank loans? and would not the Treasury of the United States, under the sanctifying influence of

party delusion and party infatuation, be literally plundered, by mercenary retainers, bankrupts in fortune, and adventurers in politics?

Even if the administration should be ever so much disposed to restrain the abuse of this patronage, it would be utterly impracticable to exercise any efficient control over the great number of Bank directors who would be scattered over the Union, and who, upon all the known principles of human nature, it may be confidently predicted, would principally consist of busy and officious political partizans.

Such would be the depositaries—acting, not under the public eye, but under the protecting mystery of a sort of concealment and secrecy deemed indispensable in banking operations—to whom not only the whole Treasury of the Union would be confided, to be squandered, perhaps, in profligate favoritism, but the tremendous power of putting the whole property of the nation under mortgage, for the redemption of the bills issued at their discretion. To say nothing of the utter insecurity of the public revenues under such a system, a new species of legislative power, unknown to the Constitution, would be committed to these irresponsible Bank directors, of which no human sagacity can predict the consequences.

A just analysis of the operation of granting loans by this Government Bank, in exchange for the notes of private individuals, will show that it involves the exercise, on the part of the directors, of the two-fold power of appropriating the public revenue in the most dangerous of all forms—discretionary loans—and of pledging the responsibility of the Government, to an unlimited extent, for the payment of the debts at the same time created against it. These are among the highest functions of legislative power, and have been expressly and exclusively vested in Congress. Unless, therefore, it be assumed, that Congress may rightfully transfer the powers with which it is invested to these Bank directors, it will be difficult to find any warrant, either in the letter or spirit of the Constitution, for the creation of this tremendous engine of pecuniary influence. It may, indeed, be doubted, whether all the branches of the legislative authority united, have any constitutional power to lend the public revenue, either to individuals, corporations, or States, without reference to the objects to which it shall be applied. But, whatever may be the power of Congress on this subject, it appears to the committee to be inexpedient, in every view of the question, that the Government should be converted into a great money lender. There is no species of trade in which it would be wise for the Government to embark; but of all the variety of pursuits known to human enterprise, that of lending money by the Government to the citizens of the country, would be fraught with the most pernicious consequences.

In the first place, it is a business to which, in the very nature of things, no Government is adapted, and, least of all, a popular Government. There is no employment of capital that requires a more vigilant and skilful superintendence. Nothing but the ever active motive of individual interest can supply the watchfulness necessary to secure a banking institution against the grossest frauds and impositions. In pecuniary transactions, few men are to be found who will serve others, in cases involving the exercise of discretionary power, with the same fidelity that they would serve themselves; and, when we consider the strong motives, both of private friendship and political attachment, which would operate on the directors of a Government Bank, to bestow its favors without impartiality or prudence, it requires but little sagacity to foresee that enormous losses would be annually sustained by the insolvency of the Government debtors.

All Governments have found it expedient to place the public Treasury under the guardianship of a high and confidential officer, aided, in the enforcement of a rigid responsibility, by a system of checks and counter-checks, operating upon all the subordinate officers concerned in collecting and disbursing the public revenue. Such is our own system. No discretion is vested in the chief officer of the Treasury, much less in those that are subordinate, in the appropriation of a single dollar of the public money. "No money can be drawn from the Treasury but in consequence of appropriations made by law." How far these wise and provident safeguards, and this constitutional barrier, would be prostrated by placing not only the public revenue, but the public credit, at the disposal of some hundreds of Bank directors in various parts of the Union, is a very grave question for the consideration of the House.

Our own experience has demonstrated the great danger of having large masses of the community indebted to the Government. It was a deep conviction of this danger that induced Congress to abolish the system of credit sales in the disposition of the public lands. Congress has been compelled to yield to the pressing importunities of the purchasers of these lands, by granting them not only repeated indulgences, but by remitting some millions of the debt. What, then, would be the situation of the Government, with a debt of fifty millions diffused throughout the country, and due to it from the most active, enterprising, and influential classes of the community? Nothing that has not happened can be more certain, than that every unfavorable vicissitude in trade, every period of commercial distress and embarrassment, would give rise to importunate and clamorous calls for indulgence, and for an injudicious extension of discounts, which no administration would have the firmness to resist. Every one who has witnessed the urgency and unanimity with which the representatives of the States indebted for public lands have pressed the claims of their citizens for indulgence & remission, must be satisfied, that, if the citizens of all the States should become indebted much more largely for Bank loans, the Government would have scarcely any faculty of resistance, when appeals for indulgence should come from all quarters of the Union, sustained by the strong plea of public distress and embarrassment.

The policy of extending indulgence to the public debtors, and of granting more liberal loans to the community, would, in the natural course of things, become the favorite theme of those who aspired to popular favor. Political parties would come to be divided upon the question of observing towards the public debtors a strict banking policy, indispensable to the maintenance of specie payments, on the one hand, or a liberal Government policy, necessarily involving a suspension of specie payments, on the other. And when it is considered that the whole class of debtors, always the most numerous and active portion of the community, would be naturally in favor of increasing bank issues, and extending bank indulgences, it can scarcely be doubted that specie payments would be suspended in the first great pecuniary exigency, growing out of embarrassments in our commerce, or deficiencies in our revenue.

The Government, therefore, which is under the most sacred obligations to constrain all the Banks to maintain specie payments, with a view to the uniformity and soundness of the currency, would, by its own example, perpetuate the great national evil of a fluctuating and depreciated circulating medium.

These evils, which would be so highly probable in time of peace, would be almost certain in the event of war. The temptation to supply the Federal Treasury by the easy process of Bank issues, rather than resort to the unpopular process of internal taxation, would be too fascinating to be resisted. We should thus experience, what every nation has experienced in like circumstances, the manifold evils of a mere paper currency, having no relation to any standard of intrinsic value. In these views, the committee are fully sustained by the opinion of Mr. Lowndes, expressed in 1819. These are his words—"That the destruction of the [United States] Bank would be followed by the establishment of paper money, he firmly believed; he might almost say, he knew. It was an extremity from which the House would recoil, if now proposed; but if the resolution on the table were passed, it would very soon be proposed.—The subject was too large for an incidental discussion. Gentlemen thought the amount of Government paper might be limited, and depreciation prevented, by the rate of interest which should be exacted. Inadequate every where, the security was particularly ineffectual in the U. States."

But the inevitable tendency of a Government Bank to involve the country in a paper system, is not, in the opinion of the committee, the greatest objection to it. The powerful, and, in the

hands of a bad administration, the irresistible and corrupting influence which it would exercise over the elections of the country, constitutes an objection more imposing than all others united. No matter by what means an administration might get into power, with such a tremendous engine in their hands, it would be almost impossible to displace them without some miraculous interposition of Providence.

Deeply impressed with the conviction that the weak point of a free Government is the absorbing tendency of Executive patronage, and sincerely believing that the proposed Bank would invest that branch of the Government with a weight of moneyed influence more dangerous in its character, and more powerful in its operation, than the entire mass of its present patronage, the committee have felt that they were imperiously called upon, by the highest considerations of public duty, to express the views they have presented, with a frankness and freedom demanded by the occasion. It is, at the same time, due to their own feelings, that they should state unequivocally their conviction, that the suggestion of the Chief Magistrate, which they have thus freely examined, proceeded from motives of the most disinterested patriotism, and was exclusively designed to promote the welfare of the country. This is not the mere formal and heartless homage, sometimes offered up to official station, either from courtesy or interest, but a tribute which is eminently due, and cheerfully rendered, to the exalted character of the distinguished individual on whom it is bestowed.

DOMESTIC.

The Washington Correspondent of the United States Gazette gives the following account of Mr. M'Duffie's Speech on the Tariff.

"He designated the Tariff as the most iniquitous, the most unequal, and the most destructive tax, which human ingenuity had ever devised. The only tax for which he appeared to have a *penchant* was the income tax. He computed that the aggregate income of the whole of the United States, was 350 millions of dollars, and that if an income tax of seven per centum was laid on this income, it would produce an annual revenue of above 24 millions. Of this 24 millions, he supposed that the States which grow tobacco, cotton and rice, would pay about three millions and a half, taking the aggregate of their capital at 50 millions. As the Tariff system operates, he asserted that these states now pay annually, a tax of fifteen millions. The cotton and rice States he calculated at about one seventh part of the whole Union, while they pay one half of the entire Federal revenue. They now pay upwards of twelve millions, and he thought nearly fourteen millions. He would not consent to try the experiment of the Tariff of 1828, as some gentlemen seem to wish. He was opposed to all such experiments. He assimilated this experiment, to the water ordeal to which a witch was subjected in former times. That also was an experiment. The poor creature was thrown into the water. Humanity said, take her out, the experimenters cried let her alone, if she be a witch she will swim. Finally the poor creature was drowned, and then it was discovered that the poor woman was innocent. But the experiment was a fatal one. He went on for about two hours and a quarter, when under the influence of fatigue and stating that he had a great deal more to urge against the bill, he yielded the floor."

ATROCIOUS OUTRAGE.

WINCHESTER, (Va.) May 7.

William Heafer, a young man of about 22 years of age, was convicted before the Superior Court of Law for this county on Tuesday last, JUDGE FIELD presiding, on a charge of a felonious assault upon Thomas Lewis with intent to kill him, and of robbing him of various articles of clothing, and sentenced to seven years imprisonment in the penitentiary. It appeared in evidence on the trial, that Heafer and Lewis having met at a Tavern some three or four miles from Winchester, in September last, Heafer accused Lewis of having circulated injurious reports about him, which the latter denied, and the parties having buried the hatchet, as is usual on such occasions, in a glass of grog, left the tavern in company, and in apparent good feeling. They had not proceeded more than a mile when Lewis complained of being unwell and stooped. While he was leaning upon a stump, with his head reclining on his arm, Heafer raised a stone of several pounds weight, and gave him a blow on the side of the head, which knocked him down and deprived him of his senses.—Here there was a hiatus in the testimony which could only be supplied by inference, as the parties were alone, and Lewis was rendered insensible by the violence of the blow, to what subsequently occurred. All this took place in the afternoon of Sunday, and Lewis was ignorant of all that transpired from the moment the first blow was inflicted, until the afternoon of the following day, when he was first roused from the stupor in which he had been lying in the meantime, by the report of a rifle. He soon recovered sufficient strength to regain his feet, when he found himself upwards of two hundred yards from the spot where he received the first injury.—It is presumed, from the number of wounds about his person, that after having been knocked down, the blows were repeated until the culprit was satisfied he was dead; when he conveyed him to the spot we have mentioned, about two hundred yards from the road, and concealed his body beneath a quantity of leaves and rubbish. On recovering his senses, after having been thus interred for more than four and twenty hours, Lewis found that he had been robbed of his watch and all his clothing except a shirt and pair of stockings.—The clothes were afterwards found on the person of Heafer, who immediately upon committing the outrage fled into Maryland, where he was subsequently apprehended.

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From the Burlington, (Vt.) Sentinel.

The trial of Doct. Norman Cleveland for the murder of Mrs. Hannah Rose, in attempting to procure an abortion came on, at Irasburgh, Orleans Co. on Monday the 12th ult. The following is a short statement of facts as they appeared in evidence at the trial.

In the month of June, 1829, an illicit