

was the most efficient of them all; yet that same Pennsylvania, with extraordinary unanimity in February, 1833, passed the following resolution:

"That the constitution of the United States authorities, and nearly a century's experience, sanctions a Bank of the United States, as necessary and proper to regulate the value of money, and prevent paper currency of unequal and depreciated value."

And again, with equal unanimity in February, 1832, the following:

"That the Senators from this State in the Congress of the United States be instructed, and the representatives requested to use their exertions to obtain a renewal of the charter of the Bank of the United States during the present session of Congress, with such alterations (if any necessary) as may secure the rights of the States."

Such a belief, moreover, is opposed by his own declaration in the Veto Message, that "a new Congress, elected in the midst of such discussion, and furnishing an equal representation of the people according to the last census, will bear to the Capitol the verdict of public opinion, and, I doubt not, bring this question to a satisfactory result."

Now, that Congress to which he referred, the decision of the question had yet assembled. In some parts of the country the members had not been even elected at the time of signing this manifesto; and yet he now asserts, that he conclusively settled that the charter of the Bank of the United States will not be renewed, and he has no reasonable ground to believe that any substitute will be established. Being bound to regulate his course by the laws as they exist, and not to anticipate the interference of the Legislative power for the purpose of forming new systems, it is proper for him seasonably to consider the means by which the services rendered by the Bank of the United States, are to be performed after its charter shall expire. There seems to involve an inconsistency. There was a Congress about to meet in ninety days, to which every Congress he had referred the question of the Bank. There was a new Congress to meet in December, 1835, before the expiration of the charter. Yet does he now declare that, since the people elected him and he was opposed to the Bank, he revokes all he said about the Congress of 1835, and chooses to consider it settled without any interference of the Legislative power?

The next head of complaint is the postponement of a portion of the three per cent. by the Government in April, 1832; and of another portion by the Bank in December, 1832. Now it is very remarkable that both these subjects were fully examined—the first by the Committee of Investigation of 1832, and the second by the Committee of Ways and Means of 1833—and both reports are in decided contradiction to the assertions of the President. For instance, he complains of the first postponement, which he imputes to the Bank, whereas the Committee of Investigation themselves declare, "They are fully of opinion that the Bank neither sought for nor requested a postponement of the payment by the Government." He complains of the second postponement, yet the Committee of Ways and Means report, that the nominal postponement had, in fact, closed the payments sooner than if no postponement had been made; and that "this question seems no longer to present any important or practical object of inquiry, or to call for or admit of any action of Congress upon it."

This would seem to be perfectly satisfactory. Yet, lest the revival of these charges may mislead the unsuspecting, it may be well to refute them again, as they have been often refuted before; and first of the postponement in October. He says of it:

"Conscious that at the end of that quarter the Bank would not be able to pay over the deposits, and that further indulgence was not to be expected of the Government, an agent was despatched to England secretly, to negotiate with the holders of the public debt in Europe, and induce them by the offer of an equal or higher interest than that paid by the Government, to hold back their claims for one year, during which the Bank expected thus to obtain the use of \$5,000,000 of public money, which the Government should set apart for the payment of that debt. The agent made an arrangement on terms, in part, which were in direct violation of the charter of the Bank; and when some incidents connected with this secret negotiation accidentally came to the knowledge of the public and the Government, then and not before so much of it as was unlawfully in violation of the charter was disavowed."

If there be any one matter in regard to which the Bank is more beneficial than any other matter, it is precisely this agency in paying off the public debt; and if there be any cases in the course of that agency more useful than any other cases, they are precisely these two cases which are here made the subjects of reproach.

The whole collection of the revenue is based on the system, that funds are never accumulated in the Treasury for a long period, but are principally lent out to the community, and only called for as they are needed for the public service. Whenever, therefore, large payments are made by the Government, as it is necessary to withdraw from the use of the community considerable sums, this process requires some delicacy in recalling from distant parts of the United States as much as may answer the immediate exigency, yet not enough to press disadvantageously on the community. This is the special function of the Bank. How well it has succeeded may be inferred from the testimonials of the successive Secretaries of the Treasury. Thus, Mr. Rush, in his Treasury Report of the 13th of Dec. 1823, says:

"In this manner, heavy payments of the debt are, in effect, made gradually, instead of the whole mass being thrown at once upon the money market, which might produce injurious shocks. So prudently in this and other respects does the Bank aid the operation of paying off the debt that the community hardly has a consciousness that it is going on."

And Mr. Ingham, in like manner, on the 11th of July, 1829, says:

"I take the occasion to express the great satisfaction of the Treasury Department at the manner in which the President and Directors of the parent Bank have discharged their trust in all their immediate relations to the Government, so far as their transactions have come under my notice, and especially in the facilities afforded in transferring the funds of the Government, and in the preparation for the heavy payment of the public debt, on the first inst. which has been effected by means of the prudent arrangements on your Board, at a time of severe depression on all the productive employments of the country, without causing any sensible additions to the pressure, or even visible effect upon the ordinary operations of the State Banks."

Finally, the President himself, in his Message to Congress of December, 1829, says:

"It was apprehended that the withdrawal of so large a sum from the Bank in which it was deposited, at a time of unusual pressure on the money market, might cause such injury to the interest,

dependant on bank accommodations. But this evil was wholly averted by an early anticipation of it at the Treasury, aided by the judicious arrangements of the Officers of the Bank of the United States."

It had thus become the habitual policy of the Bank at the approach of any large payment, to begin its preparations for a long period in advance, so as to collect its resources gradually, and to distribute its disbursements over as wide a sphere as possible.

In the year 1832, the country was heavily indebted to Europe for the large importations of the year 1831; and it was particularly desirable to give to the community leisure to pay that debt out of their annual earnings and to prevent any addition to the foreign demand in 1832. Now there were more than twenty-five millions and a half of the principal and interest of that debt payable in the year 1832—from Dec. 31, 1831, to Jan. 1, 1833—of which more than fifteen millions were to be paid in nine months, and between eight and nine of it to foreigners. The Bank was fully prepared to make the first payment on the 1st of October, 1832.

The State Banks of Philadelphia, New York and Boston, owed to this Bank - \$2,230,000
Its specie at this place alone was - 3,200,000
Its funds in Europe were - 2,982,000

Making of cash in hand, or its equivalents, - \$8,462,000
With an open credit in Europe, on which to draw, for - 2,500,000
Besides not less than twenty millions of debts, to be used for this purpose—while the whole public debt to be paid on the 1st of October, was \$9,634,987 37.

In this state the bank had it considered only its own interest, would have been perfectly passive, since it was perfectly at ease. But it had other and higher interests to consult. From the communication with the Treasury, in July, it was probable that the funds of the government might be insufficient to pay the debt advertised to be paid—and that even if these funds were adequate, the operation would exhaust all the means of the government, and require that the community should repay the whole amount of the public funds distributed among them. It was further manifest that the ability of the government to meet its engagements depended entirely on the punctual payment of the revenue in the commercial cities, from July to January, which was estimated at about \$12,000,000.

That resource was threatened with the greatest danger by the appearance of the cholera, which had already begun its ravages in New York and Philadelphia, with every indication of pervading the whole country. Had it continued as it began, and all the appearances in July warranted the belief of its continuance, there can be no doubt it would have prostrated all commercial credit, and seriously endangered the public revenue, as in New York and Philadelphia alone, the demand on account of the foreign three per cents was about five millions.

The Bank, therefore, made an arrangement with the foreign owners of this stock, to the amount of \$4,175,375 92, to leave their money in the country for another year, the Bank assuming to pay the interest, instead of the Government. Having settled this, the Bank resumed its usual facilities of business to the community. Of the whole four millions postponed, the interest on them has ceased, and at this moment the only certificates not yet actually returned are those in the name of two persons, amounting to \$12,375 94, and it is remarkable that one of the whole amount of \$4,175,375 92 purchased and postponed, there remain unpaid only two owners, holding \$12,375 94, the amount of the postponed three still outstanding is five or ten times as much. So that in fact, as was anticipated in the report of the Committee of Ways and Means, the postponement has actually hastened the payment.

All these things were fully explained by the Committee of Ways and Means, to whom that part of the President's Message was referred, and that committee accordingly reported as follows:—

"The arrangement made by the Bank for a temporary postponement, with the consent of the holders, of the payment of five millions of the three per cent. debt, being now substantially closed by the surrender to the government of the certificates of stock except for a small amount, and the whole debt itself, as far as respects the Government, at an earlier period than it is probable it would otherwise have been, this question seems no longer to present any important or practical object of inquiry, or to call for, or admit any action of Congress upon it."

This ought to be satisfactory, yet is the subject now revived with the addition of two distinct errors in point of fact. The first is that the Bank "was conscious that at the end of the quarter it would not be able to pay over the deposits"—whereas the state of the Bank, as above explained, proved its entire ability to make this payment, and that its interposition was exclusively dictated by the desire to avert an additional trouble at a season of pestilence. The second is, that the part of the arrangement made with the agent of the Bank was not disavowed until "some incidents connected with this secret negotiation, accidentally came to the knowledge of the public and the government." The fact is, that as soon as that part of the arrangement which seemed to conflict with the charter, was received, the determination was made to decline executing it before any publication of any sort was seen or known in regard to it.

The evidence of this is so clear and so short, that it deserves to be cited as an

example of the general inaccuracy of this manifesto. The committee of exchange, in their report to Congress in January 29, 1833, declare as follows:

"But when the contract itself reached the Bank, on the 12th of October, and it appeared from the communication of Messrs. Baring, Brothers & Co. that the stock was to be purchased on account of the Bank, they were immediately instructed, on the 15th of October, that the Bank had no authority to become owners of the stock," &c.

When two of the members of the committee were examined on oath, before the Committee of Ways and Means, they confirmed the statement as follows:

Question Had the President or Exchange Committee, any intention to disavow General Cadwalader's authority to make the contract he did, until after the appearance in the New York papers of the circular of the Barings to the foreign holders of the United States three per cent. stocks, announcing to them, that they had the authority of the Bank to purchase or negotiate a postponement of the stocks held by them?

Answer of Mr. Manuel Eyre. I can say yes positively. I recollect it perfectly well. When I first read this letter, I said it was not proper and disavowed it.

Answer of Mr. Matthew L. Bevan. I never did see myself, the notice referred to in the New York papers, but well recollect the moment the letter was received, giving information of the proceedings in relation to that negotiation, the President of the Bank, with the approbation of the Exchange Committee, immediately wrote, disavowing the nature of that arrangement, it having been made under a misapprehension.

The complaint in regard to the postponement by the Government in April, 1832, is of the same character. He says, that "after this negotiation had commenced, the Secretary of the Treasury informed the Bank that it was his intention to pay off one-half of the three per cents on the first of the succeeding July, which amounted to about \$6,500,000. The President of the Bank, although the Committee of Investigation was then looking into its affairs at Philadelphia, came immediately to Washington, and upon representing that the Bank was desirous of accommodating the importing merchants at New York, (which it failed to do) and undertaking to pay the interest itself, procured the consent of the Secretary, after consultation with the President, to postpone the payment until the succeeding first of October."

The impression here intended to be conveyed is, that the President of the Bank, in order to relieve the institution from a demand which it could not sustain, asked an indulgence which was conceded by the Government. Now the truth is, that the Government wished to make the postponement, but could not do it without the aid of the Bank. Mr. M'Duffie, Chairman of the Committee of Ways and Means, and Mr. Cambreleng, Chairman of the Committee of Commerce, who were then members of the Committee of Investigation of Philadelphia, wrote letters to the Secretary of the Treasury, dissuading the Government from making the payment. The only difficulty in doing it was, that the Commissioners of the Sinking Fund had no authority to postpone the payment, as they would be obliged to pay the quarter's interest during the three months delay—and this difficulty was removed by the President of the Bank, who agreed to pay the interest, as the money would remain in the hands of the Bank. The letters just mentioned were accordingly submitted to the President, who never saw the Secretary of the Treasury on the subject, as that gentleman was sick and who himself decided on the postponement after seeing the recommendation of Mr. M'Duffie and Mr. Cambreleng. Much stress is also laid on the visit of the President of the Bank to Washington, while the Committee of Investigation were in Philadelphia. The truth was, the letter of the acting Secretary was received so immediately before the period fixed for issuing the notice of payment, that if any thing were to be done at all, it was to be done only by personal communication with the Secretary, as there was no time for correspondence.—The gentlemen of the Committees were aware of his going, and two of its members wrote letters to promote his object. Besides his leaving the Committee of Investigation in full possession of the Bank and all its papers, so far from being a subject of reproach or suspicion, is the surest mark of his entire confidence that there was nothing in the concerns of the Bank which they might not examine at leisure during his absence, and was the best proof of his confidence in them as well as himself. The whole subject was before the Committee of Investigation of 1832, and that Committee acknowledged, as will be seen from the following extract from their report, that this postponement was not the work of the Bank. The Committee say—

"They made a call upon the President of the Bank for the correspondence in relation to the postponement of that payment, in the following words: 'Will you please give a copy of the correspondence connected with your application in March last, requesting a suspension by the Government of the payment of a portion of its debt intended to have been made on the first of July next, or a statement of the arrangement made in relation to that subject.' Which correspondence was communicated by the President of the Bank with the following remarks: 'I have made no application to the

Government, nor have I requested any suspension of the payment of any portion of the public debt."

"The enquiry, I suppose, relates to this circumstance; I received a letter from the acting Secretary of the Treasury, dated the 24th March, 1832, informing me that the Government was about to issue a notice on the 1st of April, of their intention to pay, on the 1st of July next, one half of three per cent. stock, and to do it by paying to each stockholder one half of the amount of his certificate." He added:

"If any objection occurs to you either as to the amount or mode of payment, I will thank you to suggest it."

"I was invited by the Government in a communication marked 'confidential,' to give my opinions on a measure contemplated by the Government, I felt it my duty to express my views of its probable operation: in my reply, therefore, dated 29th of March, I stated 'that so far as the Bank is concerned, no objections occurs to me, it being sufficient that the Government has the necessary amount of funds in the Bank to make the contemplated payments.' I then proceeded to observe, that in the present situation of the commercial community, and with a very large amount of revenue, (amounting to nine millions,) to be paid before the 1st of July, the debtors of the Government would require all the forbearance and all the aid that could be given them; and that the payment proposed, by creating a demand for the remittance of several millions of dollars to European stockholders, would tend to diminish the usual facilities afforded to the debtors of the Government, and might endanger the punctual payment of the revenue. For this reason I thought it for the interest of the Government, to postpone the payment till the next quarter.—I further stated that the plan of paying to each stockholder only one-half of his loan would not be so acceptable as if his whole loan were repaid at once.

"Having thus performed my duty in giving the opinion asked, I left it, of course, to the Government to decide. On the part of the Bank, I sought nothing. I requested nothing. After weighing the circumstances, the government were desirous of adopting the measure, but the difficulty I understood to be this, that the sinking fund would lose the quarter's interest, from July to October, of the sum intended to be paid in July, and that the Government did not feel itself justified in making the postponement unless that interest could be saved, but that it would be made, provided the Bank would make the sinking fund whole on the 1st of October. To this I said, that as the Bank would have the use of the fund, during the three months, it would consent to save the sinking fund harmless, by paying the three months interest itself; as the matter stands.

"Now, it will be seen, that the Bank, in all this, has not had the least agency, except to offer its opinion, when it was asked, in regard to a measure proposed by the Government; and then to offer its aid in carrying that measure into operation."

"The committee are fully of opinion, that though the Bank neither 'sought' for, nor 'requested' a postponement of the payment by the government, as stated in the declaration of the President, yet if such postponement had not been made, the Bank would not, on the 1st of July, have possessed the ability to have met the demand, without causing a scene of great distress in the commercial community."

The next evidence adduced of the Bank's opposition to him, is its claim for damages. Of this he gives the following account:

"The Bank became the purchaser of a bill drawn by our Government on that of France for about \$900,000, being the first instalment of the French loan money. The purchase money was left in the use of the Bank, being simply added to the Treasury deposits. The Bank sold the bill in England, and the holder sent it to France for collection, and arrangements not having been made by the French government for its payment, it was taken up by the agents of the Bank in Paris, with the funds of the Bank in their hands. Under these circumstances it has, through its organs, openly assailed the credit of the Government; and has actually made and persists in a demand of fifteen per cent. or \$158,842 77 as damages, when no damage, or none beyond some trifling expense, has in fact been sustained, and when the Bank had in its own possession on deposit, several millions of the public money which it was then using for its own profit. Is a fiscal agent to the Government, which thus seeks to enrich itself at the expense of the government, worthy of further trust?"

First. It is not correct to state that the Bank was the "fiscal agent" of the Government in this matter. On the contrary, the fiscal agency of the Bank was offered without any charge to the Government, and declined. The Bank did not wish to purchase this bill at all, but proposed to collect it, paying the money only after it had been received by the agents of the Bank in France. Thus when the Secretary of the Treasury wrote to the Bank about this bill, the President of the Bank in his answer dated Nov. 5, 1832, said:

"The Bank has already in Paris a larger sum than it has any immediate use for, yet it is not indisposed to increase it because it may hereafter have occasion for the funds, and because it is believed that if the terms can be made acceptable the purchase of the whole by the Bank would be the best operation for the Government;"—and again in the same letter,

"In regard to the rate, you are the most competent judge of its fitness, and I will merely add, that the bank not wanting funds in Paris, and believing that they will be lower hereafter, would not make a similar purchase from any other quarter, and is influenced exclusively by the belief that any other arrangement would be less advantageous to the Treasury."

So in his letter of the 11th of February, 1833, "the purchase of the bill is not in the least desirable to the Bank, nor would the rate now allowed be given to any other drawer than the Government, for we shall send by the same conveyance which carries your bill, a large amount of bills purchased at 5.45, being nearly 1-1/2 per cent. less than the price actually given to the Treasury."

The Bank then did not wish to purchase the bill. But the Bank offered its agency to collect it on the following terms, on the 5th of November, 1832.

"Should you prefer not fixing a rate at present, but to take the chances of a higher rate hereafter, the Bank on receiving your bill would place the amount of it to the credit of the Government on the 2d of March, at the current rate of exchange of the best bills on that day in Philadelphia."

Here then was a distinct proposal to collect the bill just as the Bank collects bills for individuals, so that if the bill had in Nov. 1832 been sent to the Bank, it would have been forwarded to Europe; and if on the 2d of Feb. 1833, when it was payable in Paris, it had not been paid the Bank would have been apprised of that fact, and would not have made the payment on the 2d March, and the whole transaction would have been closed. This course, however, the Government did not adopt—but after considering the offers for the bill made from other quarters, decided to sell it to the Bank.

Secondly. It is not the fact that this money "was left in the use of the Bank, being simply added to the Treasury Deposits."

Suppose that it had been, it would not in the slightest degree affect the question of damages. When a party sells a bill, and is paid for it, that is, has the funds placed to his credit to be drawn whenever he chooses without further notice, the party is as much paid—the fund belongs as little to the Bank—as if the party had actually withdrawn the whole sum in specie. But not only was the fund in this case drawn from the general resources of the Bank and placed to the credit of the Treasury, but immediately after that was done, Congress passed a law to lend the money, and the Secretary of the Treasury issued a notice that this money was to be forthwith lent out to capitalists, that is to say, to be immediately withdrawn.—The credit given to the Treasurer was on the 11th of February 1833. The notice of the Secretary dated the 6th of March, offered to lend out this money after the 20th of March—of course the Bank could make no use of it—on the contrary, as it would probably be withdrawn immediately, it became not merely useless as a deposit, but required the Bank to shape its loans to others so as to provide for the immediate payment.

Nor is this all. Not only was this sum passed to the credit of the Treasurer—not only was the early withdrawal of it from the Bank announced by the Secretary, but the identical proceeds of this identical French bill, were actually used by the Government for the payment of its ordinary expenses.

[To be concluded next week]
From the Louisiana Advertiser.

A CHALLENGE.
We challenge any Mercantilist in this city, to discuss publicly, any scientific principle or doctrine comprised within the limits of the well settled opinions of the modern physiological rational school of medicine. The discussion to be based upon quotations copied verbally and literally from the works on the principles and insures of medicine by J. V. Broussais.

We challenge any mercantilist in this city to invite the physicians of the place on any, or on every occasion of death of one or more individuals treated during their last illness, by a regular and systematic course of calomel, to examine the subjects after death; and we pledge ourselves to demonstrate, by referring to the dead body and exhibiting and pointing out the derangement of its structure, that in every case disorganization and death were caused or accelerated by irritation of calomel.

BROUSSAIS.
The discussion to be conducted orally before the public generally, or before scientific men alone, or to be written and published by agreement at the same time, in any medical journal in the U. States.

Arrest of Counterfeiters.—Gen. Jones, Marshal of the Missouri District, arrived in this city yesterday, from an excursion to the Western part of the state in quest of counterfeiters. He was completely successful in the object of the expedition, having captured five of the gang, whom he found located in an obscure corner of Cole county. They were brought to this city, and are undergoing an examination before His Honor Judge Peck. The Marshal found upon them all the implements of their trade, dyes, printing apparatus, paper, &c. together with a large amount of counterfeit notes. It is to be hoped that the new Penitentiary may be completed in season for their reception.

St. Louis Repub.

We learn by a late London paper, that Mrs. Trollope was brought up before the Bow Street Police, and fined twenty one shillings, for an assault on one of her servant girls.