should be transferred to some other place; at some period prior to that time.

3d. The power of removal being reserved exclusively to the Secretary of the Treasury, by the terms of the charter, his action was necessary in order to effect it, and the deposites could not, according to the agreement made by Congress with the stockholders, have been removed by the Legislative branch of the Government, until the charter to the Bank was at an end.

4th. The near approach of the time when the charter would expire, as well as the condition of the mercantile community, produced by the conduct of the Bank, rendered the removal indispensable, at the time it was begun; and it could not have been postponed to a later day, without injury to the country.

Acting on these principles I should have felt myself bound to follow the course I have pursued in relation to the deposites, without any reference to the misconduct of the Bank. But there are other reasons for the removal, growing out of the manner in which the affairs of the Bank have been managed, and its money applied, which would have made it my duty to withdraw the deposites, at any period of the charter.

It will, I presume, be admitted, on all hands, that the Bank was incorporated, in order to create an useful and convenient public agent, to assist the Government in its fiscal operations. The act of incorporation was not designed merely as an act of favor to the stockholders, nor were exclusive privileges given to them for the purpose of enabling them to attain political power, or to amass wealth at the expense of the people of the United States. The motive for establishing this vast monopoly, was the hope that it would conduce to the public good. It was created to be the agent of the public, to be employed for the benefit of the people, and the peculiar privileges and means of private emolument given to it, by the act of incorporation, were intended as rewards for the services it was expected to perform. It was never supposed, that its own separate interests would be voluntarily brought into collision with those of the public. And still less, was it anticipated, that it would seek by its money to obtain political power, and control the action of the Government, either by the favors it can shower, or the fear of its resentment. Its duty was simply that of an agent, bound to render certain services to its principal, in consideration of the advantages granted to it. And like every other public agent or officer, its own separate interests were subordinate to its duty to the public. It was bound to consult the general good, rather than its private emolument, if they should happen to come into conflict with one another. If therefore it sought to obtain political power, or to increase its gains, by means which would probably bring distress on the community, it violated its duty, and perverted to the public injury, the powers which were given to be used for the public good. And in such an event, it was the duty of the public servants, to whom the trust was reserved, to dismiss it, so far as might lawfully be done, from the agency it has thus abused.

Regarding the Bank therefore, as the agent of the United States, and bound by the duties, and liable to the obligations which ordinarily belong to the relation of principal and agent, except where the charter has otherwise directed, I proceed to state the circumstances, which show that it had justly forfeited the confidence of the Government, and that it ought not to have been further trusted as the depository of public money.

The United States, by the charter, reserved the right of appointing five Directors of the Bank. It was intended by this means, not only to provide guardians for the interest of the public, in the general administration of its affairs, but also to have faithful officers, whose situation would enable them to become intimately acquainted with all the transactions of the institution, and whose duty it would be, to apprise the proper authorities, of any misconduct, on the part of the corporation, likely to affect the public interest. The fourth fundamental article of the Constitution of the corporation declares, that not less than seven Directors shall constitute a Board for the transaction of business. At these meetings of the Board, the Directors on the part of the United States had, of course, a right to be present, and, consequently, if the business of the corporation had been transacted in the manner which the law requires, there was abundant security, that nothing could be done injuriously affecting the interests of the people, without being immediately communicated to the public servants who were authorized to apply the remedy. And if the corporation has so arranged its concerns, as to conceal from the public Directors some of its most important operations, and has thereby destroyed the safeguards which were designed to secure the interests of the United States, it would seem to be very clear, that it has forfeited its claim to confidence, and is no longer worthy of trust.

In the ordinary concerns of life, among individuals, no prudent man would continue to place his funds in the hands of an agent, after he discovered, that he was studiously concealing from him the manner in which they were employed. The public money ought not be guarded with less vigilance, than that of an individual. And measures of concealment, on the part of this corporation, are not only contrary to the duties of its agency, but are also in direct violation of the law, to which it owes its corporate existence. And the same misconduct, which, in the case of private individuals, would induce a prudent man to dismiss an agent from his employment, would require a similar course towards the fiscal agent of the Government, by the officer to whom the law has entrusted the supervision of its conduct, and given the power of removal.

Tried by these principles, it will be found that the conduct of the Bank made it the duty of the Secretary of the Treasury to withdraw from its care the public funds.

1st. Instead of a Board constituted of at least seven Directors, according to the charter, at which those appointed by the United States have a right to be present, many of the most important money transactions of the Bank have been, and still are placed under the control of a committee denominated the Exchange Committee, of which no one of the public Directors has been allowed to be a member since the commencement of the present year. This committee is not even elected by the Board, and the public Directors have no voice in their appointment. They are chosen by the President of the Bank, and the business of the institution which ought to be decided on by the Board of Directors is in many instances transacted by this committee, and no one has a right to be present at their proceedings but the President and those whom he shall please to name as members of this committee. Thus loans are made, unknown at the time to a majority of the Board, and paper discounted which might probably be rejected at a regular meeting of the Directors, the most important operations of the Bank are sometimes resolved on, and executed by this committee; and its measures are, it appears, designedly, and by regular system, so arranged as to conceal from the officers of the Government, transactions in which the public interests are deeply involved. And this fact alone furnishes evidence too strong to be resisted, that the concealment of certain important operations of the corporation, from the officers of the Government, is one of the objects intended to be accomplished by means of this committee.

The plain words of the charter are violated, in order to deprive the people of the United States of one of the principal securities which the law had provided to guard their interests and to render more safe, the public money entrusted to the care of the Bank. Would any individual of ordinary discretion, continue his money in the hands of an agent who had violated his instructions for the purpose of hiding from him the manner in which he was conducting the business confided to his charge? Would he continue his property in his hands when he had not only ascertained that concealment had been practised towards him, but when the agent avowed his determination to continue in the same course, and to withhold from him, as far as he could, all knowledge of the manner in which he was employing his funds? If an individual would not be expected to continue his confidence, under such circumstances, upon what principle could a different line of conduct be required from the officers of the United States charged with the care of the public interests? The public money is surely entitled to the same care and protection, as that of an individual, and if the latter would be bound, in justice to himself, to withdraw his money from the hands of an agent, thus regardless of his duty, the same principle requires that the money of the United States should, under the like circumstances, be withdrawn from the hands of their fiscal agent. And as the power of withdrawal was confided to the Secretary of the Treasury, it was his duty to remove it on this ground alone, if no other cause of complaint had existed against the Bank.

The conduct of the Bank, in relation to the three per cent stock of the United States, is a memorable instance of the power exercised in secret by the Exchange Committee, and the abuses to which it is incident. The circumstances attending that transaction have been so fully laid before Congress and the public, that it is useless to repeat them here. It was a cause in which this committee not only managed in secret a monied transaction of vast amount, intimately connected with the interests of the people of this country, but one where the measures of the Government were thwarted by the Bank, and the nation compelled to continue for a time, liable for a debt, which it was ready and desired to extinguish. Nor is this the only measure of the kind which has come officially to my knowledge. I have the honor to present herewith a report made by three of the public Directors to the President of the United States on the 22d of April, 1833, (marked A) in which, in compliance with his request that they would communicate to him such information as was within their personal knowledge relative to these unusual proceedings of the Board of Directors, they disclose the exceptionable manner in which the power conferred by law on the Board has been surrendered to the Exchange Committee; that this has been done evidently with the design of preventing a proper and contemplated examination into the accounts of persons whose paper was offered for discount; that a minority of the Board apparently sufficient to have prevented the loan, if the security was bad, were deprived of their votes upon the question; and that the long established by-laws of the institution were set aside for the purpose of carrying these designs into effect with less difficulty or embarrassment.

If proceedings like this are sanctioned by the constituted authorities of the United States, the appointment of Directors on their part is an idle ceremony, and affords no safeguard to the public treasure, in the custody of the Bank. And even legislative enactments, in relation to this corporation, are of but little value if it may, at its pleasure, disregard one of the fundamental articles of its constitution, and transfer to a secret committee, the business which by law, ought to be transacted by the Board. It is scarcely necessary in presenting this document to the consideration of Congress, to notice an objection, which has been sometimes put forward against the publication of any proceedings which relate to the accounts of private individuals. The circumstances detailed, are the regular and official transactions of the Board of Directors, nor do they involve the private debtor and creditor account of persons dealing with the Bank, which is alone included in the distinction taken by the charter in regard to private accounts. If the argument thus brought forward were a sound one, there could be no such thing as an examination of any value into the conduct of the Bank.

Because the business of the Bank being with individuals, its misconduct could never be shown without bringing before the public the individual transaction in which the conduct of the Bank was impeached. And if it could make good the position, that such proceedings are never to be exposed to the public, because individuals are concerned in them, it would effectually shut out all useful examination, and be enabled to apply its money to the most improper purposes, without detection or exposure. When its conduct is impeached, on the ground that it has used its great money power to obtain political influence, the investigation of the charge is in its very nature, an inquiry into its transactions with individuals. And although the accounts brought forward on such occasions, may be the accounts of individuals, yet they are also the accounts of the Bank, and show its conduct. And being the fiscal agent of the Government, with such immense power to be exercised, for good or for evil, the public safety requires, that all of its proceedings should be open to the strictest and most rigorous scrutiny. Its charter may be forfeited by its misconduct, and would be justly forfeited, if it sought to obtain political influence in the affairs of the nation. And yet such attempts on the part of the Bank, can never be proved except by the examination and disclosure of its dealings with individuals.

2d. It is not merely by its concealments that the Bank has proved itself regardless of the duties of its agency. Its own interests will be found to be its ruling principle—and the just claims of the public to be treated with but little regard when they have come into collision with the interests of the corporation.—This was but too plainly the case in the affair of the three per cents above mentioned. A recent instance proves its rule of action is not changed in that respect. And the failure of the French Government to pay the bill drawn for the first instalment due by the treaty, has been made the occasion of endeavoring to obtain from the public the sum of $158,842 77 to which no principle of justice appears to entitle it. The money for which the bill was sold remained in the Bank. The expenses it incurred were of small amount, and these the Government are willing to pay. But the corporation, not content with the profits it was deriving from the millions of public money then its vaults, and which it was daily using in its discounts, endeavors to convert the public disappointment into a gainful transaction for itself, and demands the large sum above mentioned, without pretending that it sustained any loss or inconvenience, commensurate with the amount it seeks to obtain from the Government. The fiscal agent of the public attempts to avail itself the unexpected disappointment of the principal, for the purpose of enhancing its own profits at the expense of the community.

3d. There is sufficient evidence to prove that the Bank has used its means with a view to obtain political power, and thereby secure the renewal of its charter.

The documents which have been heretofore laid before Congress, and are now on its files, will show, that on the 31st of December, 1830, the aggregate debt due to the Bank, was $42,402,304 24, and that on the 31st of December, 1831, it was $63,026,452 93, being an extension of its loans in a single year of twenty millions of dollars, and an increase of nearly fifty per cent. on its previous accommodations.

And as if to leave us no room to doubt as to the motive of this extraordinary conduct, it continued to add rapidly to its loans, and on the 1st of May 1832, while its petition for the renewal of its charter was yet pending before Congress, they amounted to $80,428,070 72, being an increase of $7,401,617 79, in the four preceding months, and making altogether an addition of $28,025,766 18, in the short space of sixteen months, and being an extension of more than 66 per cent. on its previous loans. Such an increase at such a period of its charter, is without example in the history of Banking institutions.

On the 31st of December, 1830, when its loans amounted as above stated to only $42,402,304 24, the corporation had been in existence fourteen years. The sudden and great increase was made when the charter was drawing to a close, and when it had but little more than four years to run. It cannot be supposed that these immense loans were made, from a confident expectation that the charter would be renewed. On the contrary it is now an historical fact that the Bank itself deemed the chances of renewal so doubtful, that in the session of Congress beginning in December 1831, it petitioned for a recharter, and the reason generally assigned for pressing for a decision, at that time, was the great extent of its business; and the necessity of preparing to bring it to a close if the charter was not to be renewed. Thus, with but little more than four years to run, with doubtful chances of renewal, and aware of the necessity of beginning to arrange its vast transactions, it increases its loans in sixteen months, more than twenty eight millions of dollars. Was this imprudence only? It cannot be believed that those who managed its concerns, could have committed such an oversight. Can any proper reason be assigned for this departure from the course which the interests of a monied corporation, as well as that of the country, obviously required. I am not aware that any sufficient justification has been offered. And this extraordinary increase of its loans, made in so short a space of time, at such a period of its charter, and upon the eve of a severely contested election of President, in which the Bank took an open and direct interest, demonstrates that it was using its money for the purpose of obtaining a hold upon the people of this country, in order to operate upon their fears, and to induce them, by the apprehension of ruin, to vote against the candidate whom it desired to defeat. In other words, this great monied corporation determined to enter the political arena, and to influence the measures of the Government by causing its weight to be felt in the election of its officers.

But if the circumstances above stated, were not, of themselves, sufficient to prove that the Bank had sought, by its money, to obtain political power, and to exercise by that means a controlling influence on the measures of the Government, recent developements have furnished such proof as to leave no room for doubt. I have the honor to transmit herewith an official statement (marked B) signed by four of the public directors in the Bank, showing at the same time the unlawful manner in which its business is conducted and the unwarrantable purposes to which its money has been and still is applied. It will be seen by the proceedings therein stated, that the whole capital of the Bank is in effect placed at the disposal of the President of that Institution. He is authorized to expend what he pleases in causing to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the Bank." And he may, therefore, under the very indefinite terms of the resolutions, employ as many persons as he pleases, at such salaries as he thinks proper, either to prepare daily paragraphs for newspapers in favor of the Bank, or to write pamphlets and essays to influence public judgment. And he may expend money for the public objects, by salaries to persons, or by purchasing presses and types, and placing them in the hands of agents employed and paid by the Bank. There is no limitation, short of the capital of the Bank, as to the sum of money he may thus expend in different parts of the United States.

From the description of articles which appear to have been paid for under this resolution, it seems that the President of the institution has supposed that publications containing attacks upon officers of the Government who are supposed to stand in the way of the renewal of the charter, is one of the modes of "communicating to the people information in regard to the nature and operations of the Bank"—This construction was, it appears, approved by the Board, as they continued the authority in his hands, unchanged after the manner in which a portion of the money had been applied was laid before them. And we are left to conclude, that this institution is now openly in the field as a political partisan, and that one of its means of warfare, is the destruction of the political standing of those, who are opposed to the renewal of the charter. The sum actually charged to the expenses, under this resolution, is sufficiently startling. How much more may have been already squandered, we are yet to learn, and the work of "preparing and circulating" such publications is still it is presumed, going on under the last resolution of the Board. It is moreover impossible to ascertain the specific purposes to which the money may in fact have been applied, since vouchers are not required to show the particular services for which it was given.

With these positive proofs of the efforts of the Bank to obtain power, and to influence the measures of the Government, I have not hesitated as to the path of duty. If, when this evidence was before me, I had failed to withdraw the deposites of public money from the Bank, it would have been lending the countenance and support of this Department to measures which are but too well calculated to destroy the purity of our institutions, and endanger thereby the liberties of the people. It cannot be supposed that these expenditures are justifiable on the ground that the Bank has a right to defend itself, and that the money in question was therefore properly expended. Some of the items accounted for, sufficiently show in what manner it was endeavoring to defend its interests. It had entered the field of political warfare, and as a political partizan was endeavoring to defeat the election of those who were opposed to its views. It was striving by means of its money to control the course of the Government, by driving from power those who were obnoxious to its resentment. Can it be permitted to a great monied corporation to enter on such a controversy, and then justify its conduct on the ground that it is defending its own interests?

The right of such an institution to interfere in the political concerns of the country for any cause whatever, can never be recognized; and a defence like this, on the part of the Bank, could not be tolerated even if the individual stockholders alone were thus using their own money to promote their own interests. But it is not only the money of individuals which is thus applied. The one fifth of the capital of the Bank, amounting to seven millions of dollars, belonging to the United States, and the one fifth of the money which has been expended, and is yet to be expended, under this resolution, is the property of the public and does not belong to private individuals. Yet the Board of Directors assert the right, not only to authorize the expenditure of the money of individual stockholders, in order to promote their individual interests; but have also, by the resolution in question, taken upon themselves to give the like authority over money which belongs to the United States.

Is an institution which deals thus with the money of the people, a proper depository for the public funds? When such a right is openly claimed and acted on by the Board of Directors, can the money of the United States be deemed safe in its hands? The same principle that would sanction the application of one portion of the public money to such purposes, would justify the like use of all that may come to its possession. The Board of Directors have no lawful authority to employ the money of the United States, for such objects. So far as the nation is concerned in the charter of the Bank, the people through their own representatives in Congress, can take care of their own rights, and vindicate the character of the Bank if they think it is unjustly assailed. And they do not need the aid of persons employed and paid by the Bank, to learn whether its charter be constitutional or not, nor whether the public good requires it to be renewed. Nor have they authorized the President and Directors of that Institution, to expend the public money to enlighten them on this subject.

The resolution in question is, moreover, in direct violation of the act of Congress by which this corporation was established. And it is difficult to imagine how the unlimited and irresponsible power over the money of the Bank, which the Directors have given to their President, can be reconciled to the clause in the charter which requires seven Directors to form a Board for the transaction of business. If the expenditure of money, for the purposes contemplated by the resolution, be a legitimate part of the business of the corporation, the Board could not lawfully transfer it to one of its officers, unless they can by resolution, surrender into the hands of their President the entire power of the corporation, and commit to the care of a single individual, the corporate powers which the law has declared should be exercised by the Board of Directors.

Chief Justice Marshall, in the case the Bank of the United States vs. Dandridge, when speaking of the bonds required to be given by the Cashiers of the Bank, says, "It requires very little knowledge of the interior of banks to know, that the interests of the stockholders are committed, to a very great extent, to these and other officers. It was, and ought to have been, the intention of Congress, to secure the Government which took a deep interest in this Institution, and to secure individuals, who embarked their fortunes in it, on the faith of the Government, as far as possible, from the mal practices of its officers." But the Directors of the Bank seem to have acted on principles directly opposite to those stated by the Chief Justice. And instead of endeavoring to secure, "as far as possible," the public and individuals from the mal practices of its officers, they place the funds of the Bank under the control of a single officer, from whom neither security nor specific vouchers have been required. It is true, that in the opinion which the Chief Justice gave in the case from which the above passage is quoted, he differed from the rest of the Court. But the difference was on other principles, and not on the one above stated.

In forming my judgment on this part of the case, I have not regarded the short time the charter has yet to run. But my conduct has been governed by considerations which arise altogether out of the course pursued by the Bank, and which would have equally influenced my decision of this Department, in relation to the deposites, if the Bank were now in the first years of its existence. And upon this view of the subject, the following propositions appear to be fully maintained.

1st. That the Bank being the fiscal agent of the Government, in the duties which the law requires it to perform, is liable to all the responsibilities which attach to the character of agent, in ordinary cases of principal and agent among individuals; and it is therefore the duty of the officer of the Government to whom the power has been entrusted, to withdraw from its possession the public funds, whenever its conduct towards its principal has been such as would induce a prudent man in private life, to dismiss his agent from his employment.

2d. That by means of its Exchange Committee, it has so arranged its business, as to deprive the public servants of those opportunities of observing its conduct, which the law had provided for the safety of the public money confided to its care; and that there is sufficient evidence to show that this arrangement on the part of the Bank was deliberately planned, and is still persisted in, for the purpose of concealment.

3d. That it has also, in the case of the three per cent. stock, and of the Bill of Exchange on France, endeavored unjustly to advance its own interests, at the expense of the interests and the just rights of the people of the United States.

If these propositions be established, it is very clear that a man of ordinary prudence, in private life, would withdraw his funds from an agent who had thus behaved himself, in relation to his principal; and it follows, that it was the duty of the Secretary of the Treasury, to withdraw the funds of the United States from the Bank.

4th. That there is sufficient evidence to show that the Bank has been, and still is, seeking to obtain political power, and has used its money for the purpose of influencing the election of the public servants, and it was incumbent upon the Secretary of the Treasury on that account, to withdraw from its possession the money of the United States which it was thus using for improper purposes. Upon the whole, I have felt myself bound by the strongest obligations, to remove the deposites. The obligation was imposed upon me by the near approach of the time when this corporation will cease to exist, as well as by the course of conduct which it has seen fit to pursue.

The propriety of removing the deposites being thus evident, and it being consequently my duty to select the places to which they were to be removed, it became necessary that arrangements should be immediately made with the new depositories of the public money, which would not only render it safe, but would at the same time secure to the Government and to the community at large, the conveniences and facilities that were intended to be obtained by incorporating the Bank of the United States. Measures were accordingly taken for that purpose, and copies of the contracts which have been made with the selected Banks, and of the letters of instructions to them from this Department, are herewith submitted. The contracts with the Banks in the interior, are not precisely the same with those in the Atlantic cities. The difference between them arises from the nature of the business transacted by the Banks in these different places. The State Banks selected, are all institutions of high character and undoubted strength, and are under the management and control of persons of unquestioned probity and intelligence. And in order to ensure the safety of the public money, each of them is required, and has agreed to give security, whenever the amount of the deposite shall exceed the half of the amount of the capital actually paid in; and this Department has reserved to itself the right to demand security whenever it may think it advisable, although the amount on deposite may not be equal to the sum above stated. The Banks selected have also severally engaged to transmit money to any point at which it may be required by the directions of this Department for the public service, and to perform all the services to the Government which were heretofore rendered by the Bank of the United States. And by agreements among themselves to honor each others notes and drafts, they are providing a general currency at least as sound as that of the Bank of the United States, and will afford facilities to commerce, and in the business of domestic exchange, quite equal to any which the community heretofore enjoyed. There has not been yet sufficient time to perfect these arrangements; but enough has already been done, to show that, even on the score of expediency, a Bank of the U. States is not necessary, either for the fiscal operations of the government, or the public convenience;—and that every object which the charter to the present Bank was designed to attain, may be as effectually accomplished by the State Banks. And, if this can be done, nothing that is useful will be lost or endangered by the change, while much that is desirable will be gained by it.—For no one of these corporations will possess that absolute, and almost unlimited dominion over the property of the citizens of the United States, which the present Bank holds, and which enables it any moment, at its own pleasure, to bring distress upon any portion of the community, whenever it may deem it useful to its interest to make its power felt. The influence of each of the State Banks is necessarily limited to its own immediate neighborhood and they will be kept in check by the other local Banks. They will not therefore be tempted by the consciousness of power to aspire to political influence, nor likely to interfere in the elections of the public servants. They will, moreover, be managed by persons who reside in the midst of the people, who are to be immediately affected by their measures, and they cannot be insensible or indifferent to the opinions and peculiar interests of those by whom they are daily surrounded, and with whom they are constantly associating. These circumstances always furnish strong safeguards against an oppressive exercise of power, and forcibly recommend the employment of State Banks in preference to a Bank of the United States, with its numerous and distant Branches. A corporation of the latter description, is continually acting under the conviction of its immense power over the money concerns of the whole country, and is dealing also with the fortunes and comforts of men who are distant from them, and to whom they are personally strangers. The Directors of the Bank are not compelled to hear daily the complaints and witness the sufferings of those who may be ruined by their proceedings. From the nature of man, such an institution cannot always be expected to sympathize with the wants and feelings of those who are affected by its policy. And we ought not perhaps to be surprised if a corporation like the Bank of the United States, from the feeling of rivalry, or from cold calculations of interest or ambition, should deliberately plan and execute a course of measures highly injurious and oppressive, in places where the Directors who control its conduct have no local sympathies to restrain them. It is a fixed principle of our political institutions, to guard against the unnecessary accumulation of power over persons and property, in any hands. And no hands are less worthy to be trusted with it than those of a monied corporation. In the selection, therefore, of the State Banks as the fiscal agents of the Government, no disadvantages appear to have been incurred on the score of safety or convenience, or the general interests of the country, while much that is valuable will be gained by the change. I am, however, well aware of the vast power of the Bank of the United States, and of its ability to bring distress and suffering on the country. This is one of the evils of chartering a Bank with such an amount of capital, with the right of shooting its Branches into every part of the Union, so as to extend its influence to every neighborhood. The immense loan of more than twenty-eight millions of dollars suddenly poured out, chiefly in the Western States, in 1831 and the first four months of 1832, sufficiently attests that the Bank is sensible of the power which its money gives it, and has placed itself in an attitude to make the people of the United States feel the weight of its resentment, if they presume to disappoint the wishes of the corporation. By a severe curtailment, it has already made it proper to withdraw a portion of the money it held on deposite and transfer it to the custody of the new fiscal agents in order to shield the community from the injustice of the Bank of the United States. But I have not supposed that the course of the Government ought to be regulated by the fear of the power of the Bank. If such a motive could be allowed to influence the legislation of Congress, or the action of the Executive Departments of the Government, there is an end to the sovereignty of the people, and the liberties of the country are at once surrendered at the feet of a monied corporation. They may now demand the possession of the public money, or the renewal of the charter, and if these objects are yielded to them from apprehensions of their power, or from the suffering which rapid curtailments on their part are inflicting on the community, what may they not next require? Will submission render such a corporation more forbearing in its course? What law may it not hereafter demand, that it will not, if it pleases, be able to enforce by the same means?

These considerations need not, however, be pressed further in this report. They are too obvious and striking to need enforcement by argument. And I rely, with confidence, on the Representatives of this enlightened nation, to sustain a measure which the best interests of the country called for, and which had become absolutely necessary to preserve untainted its free institutions, and to secure the liberties and happiness of the people.

I am, very respectfully,
Your obedient servant,
R. B. TANEY,
Secretary of the Treasury.

DOCUMENT A,

Accompanying the Report of the Secretary of the Treasury on the removal of the public deposites, being the Report of the Government Directors of the Bank of the United States to the President.

PHILADELPHIA, 22d April, 1833.

To the President of the United States.

SIR: We have had the honor to receive your letter of the 14th, calling our attention to the rumours which have come to you in relation to the proceedings of the Bank of the United States, and requesting such information as is within the personal knowledge of the government Directors, that you may judge of the expediency of a more formal and thorough investigation, through the Secretary of the Treasury.

In the letter we had the honor to address you on the 8th instant, we took the liberty respectfully to state that the limited extent of our present information, which is only derived from our attention to the current business of the institution, acquired, at least by two of us, in the short period we have been in the direction, and amid the pressure of other engagements. Such as it is, we communicate it in compliance with your request.

We could not fail to be struck with the fact, that the standing committees of the Board, to whom of course the consideration and preparation of a great deal of the most important business is assigned, were so constituted at the commencement of the year, as to embrace none of the directors appointed by the Government—although three took their seats at the first meeting, and two of them were residents in Philadelphia. About the commencement of the present month, however, on a new organization of those committees, one of us was appointed on the committee on the state of the Bank, and another on that of the offices.

So far as we are aware, the business of the committees consists of matters referred to them by the board, on which they report before any final action, except in a single instance—that of the committee on Exchange. This committee, whose original power was confined to the Exchange business, and whose appointment was formerly monthly, in rotation, is now appointed by the President, and has gradually come to exercise the authority of another committee, also heretofore selected, in rotation, to attend daily at the Bank, and afford their aid and advice in all cases relative to the business of the institution. Of late years the appointment of this latter committee has, we understand, ceased. In the exercise of these functions, the committee on exchange has not merely discounted inland bills of exchange, but also promissory notes, on the days intervening between the meetings of the board, and in some instances even then, but after its adjournment. Its proceedings of this nature are entered on the books of the Bank and laid on the Directors' table, though not read to them, at every meeting.—Farther than this, we cannot say that we have any personal knowledge of the final action of this committee, without the express authority of the Board.

Conceiving it proper that the ordinary business of this Board should not be thus transacted by a smaller number of Directors than that required by the charter, and that the business of discounts might be conveniently done at the Board; and being of opinion that a committee exercising such extensive powers ought to be selected in rotation, so as to include the whole Board, which was the case until within a few years, and is still prescribed by the by-laws, we offered these resolutions:—"That the duties of the Committee on Exchange should not extend to the business of discounts;" and, "That the Committee on Exchange shall, after the expiration of the present month, consist of three Directors residing in Philadelphia, to be selected, as prescribed by the existing by-laws, monthly, from the Board, in rotation, and that the President and Cashier shall be united with them." We also called the particular attention of the Board to a report on their own minutes for the 20th of February, 1820, made by the Committee on the Offices, to whom had been referred a letter from the President of the office at Charleston, stating that the facilities for making discounts daily by a committee as practised in the State Banks in that city, gave to those institutions advantages over the office, and suggesting a similar course for the office itself. The report of this committee, made after much deliberation, was as follows, "That the subject of discounts by committees has frequently engaged the attention of the Board, who have always felt and expressed great repugnance to such a practice, to which, in fact, much of the losses of the Bank may be ascribed—The Committee on the Offices still entertain that opinion, and they think that the better course to be pursued in regard to the present suggestion is, that adopted on the 31st October, 1823, on a similar application from the Office at Boston; they accordingly recommend the adoption of the following resolution. "That the President be requested to communicate to the President of the office at Charleston the unwillingness of this Board to adopt the plan of making discounts of notes by a committee, that being the proper business of the Board organized as such; but in order to give every proper facility to business, the Board perceive no objection to more frequent and even daily meetings of the Board, which can take place for a short time at a particular hour of every day." In addition to this, we also adverted to the fact, that in the year 1828, the committee attending at the Bank was selected monthly in rotation, as appears by the minutes. This subject is still under the consideration of the Board, any decision thereon having been postponed until a proposed alteration in the by-laws on the same subject shall come up for consideration. By this alteration it is provided that "the Committee on Exchange shall consist of three members, to be appointed by the President every three months, who shall have special charge of all matters relating to the operations of the Bank and its offices in foreign and domestic exchange and bullion, and who shall act as a daily committee for the purchase of domestic exchange at the Bank." This, in fact, is to constitute, by express regulation, the Committee on Exchange, in the manner in which it now practically exists. What may be the decision of the Board on this plan, we cannot of course say; but from the general sentiments expressed by most of the other Directors, we presume it will be adopted. They are of opinion that the business thus entrusted to the committee on Exchange, may be properly confided to them without contravening the letter or spirit of the charter; that it is expedient, and even necessary to the successful business of the institution, to have a committee with authority thus to act in the intervals when the board is not in session—and that such a committee may be appointed in the manner proposed, more advantageously and with no less propriety, than if selected in rotation, by which all the resident members of the Board would from time to time participate in the action on matters not only important in themselves

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