

Article Title: From a Virginia Correspondent. Coverage of the debate over the Seminole War has detracted from the more important debate over renewing the charter for the United States Bank.

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Published in: National Intelligencer

Place of Publication: Washington, DC

Publication Date: 2/16/1819

## FROM A VIRGINIA CORRESPONDENT.

Messrs. Editors :

The public attention has been so exclusively devoted to the question of the Seminole war, that another, of scarcely less interest, has been overlookedl mean the condition of the United States' Bank. Whatever attractions may be given to the first of these subjects by the renown of the illustrious individual so nearly concerned in it, I confess I cannot be indifferent to the fate of an institution intimately incorporated with every interest of any country. I claim, no other credit to my opinions than that of having them without having the least individual concern in the affairs of the bank.

I fear that this great monied institution, which was ever looked upon with a jealous eye by a great portion of respectable politicians, will have strong prejudices to encounter in every stage of its existence. And, however I might have thought of the propriety of chartering it, while that question was matter of discussion, I can but deprecate the consequences of bringing its constitutionality and legitimacy again before any tribunal, after the sacrifice of so much labor and money in putting it in operation, under the pledge and protection of the national faith. And, whatever mischiefs may arise from the large share which foreigners have in the stock, much more fatal consequences would inevitably ensue from exhibiting to the eyes of the Commercial World the unprecedented spectacle of a Nation creating this gigantic scheme for the restoration of Public Credit, and immediately its object had been very imperfectly accomplished, destroying the very engine of their salutary operations, and exposing to ruin those who had risked their fortunes in the great and hazardous enterprise.

It is not for me, Messrs. Editors, to vindicate the character of those more immediately concerned in the government of the bank. Standing, as men of character, before the world, in a station of the highest confidence, it becomes them to rescue their names from the imputations which have been thrown upon them. But, taking it for granted, for the sake of argument, that they are every way as reprehensible as the report of the committee represents them to be, I cannot perceive the necessity or the justice of sacrificing the commercial credit of the countryof plunging us once more into all the horrors of a deprecated and worthless paper currencyor of ruining the innocent stockholders of the bank, because two or three directors, and they the agents of government, have been guilty of fraudulent practices. If a corporation were to be dissolved whenever one of its members misbehave, we should soon have none to destroy; our towns would be depopulated for want of a police, and even the vault of the constitution would tumble about our ears, because some stone in its arch had yielded to corruption. So far from thinking the government should pursue, with an implacable spirit, the errors or the vices of the government of the bank, and dissolve it for either, without a strong necessity, I think that such errors and vices are nearly inevitable in every banking institution ; and, since we cannot have banks without them, we virtually bind ourselves, in their very creation, not to destroy them for vices inherent in their very nature, but can only guarantee the best means which the government can afford for the prevention and correction of the abuses.

The utility of a bank has been so conspicuously manifested in the present case, that we should not lightly or capriciously abandon an institution which, with all its faults, has been a public benefactor ; and, really, as an institution, whatever may be said of some of its directors, has some claims to the character of martyrdom. It is the first time that a great monied institution has been reproached with lenity, and a spirit too accommodating. The committee think it did not push its exactions on the state banks far enough. It might, doubtless, have ruined many of the state banks and many of their debtors

; but, in mercy to a perplexed and embarrassed people, it mitigated the mischief it might have done, though to its own loss. It not only spared the state banks from the ruin it could inflict directly, but it kindly interposed to save them from each other. It relieved the mischief which each of them might have produced, by becoming the common support of them all. But this was not its first benefit : it began its operations at a time when the country was actually drained of its specie, and when bank paper of every denomination, by enormous discounts, and an unequal and oppressive exchange, had censed to discharge the functions of a circulating medium. At the enormous expense of \$525,297 28, it restored the banished specie to the country ; for a long time it reduced the exchange to par, and, even since a painful necessity, and very adverse circumstances, have compelled it to cease to pay the notes of one branch at another, it has diminished very much the inequalities of exchange, which must have continued, and even increased, but for its salutary operation. That the mother bank could not assume upon itself the payment of the notes of all its branches, I distinctly foresaw when the charter was under discussion ; for Philadelphia being the centre of active trade, extending in some directions between 500 and 1,000 miles, it was absurd to expect it could keep in its vaults not only specie enough to meet the ordinary demands upon it, but also to pay off, perhaps in a week, the whole amount of notes which had accumulated, by the course of trade, in 6 or 8 months, over so great a surface, and such a prodigious population. The notes of the mother bank would have but a limited circulation in the neighborhood of a branch bank, because the notes of a branch were, in that neighborhood, equal to specie. But when the merchants from Knoxville, Pittsburg, Lexington, &c. and every village within that and even a much wider circuit, presented all the branch bank notes which they could collect in a year, at the mother bank in one week, the drain becomes enormous ; and when this is done not once only, but every year, to supply it is impossible.

Still, as every one who received branch bank notes did not wish to draw specie, and as those notes were in high credit, because the branches were compelled by their charter to redeem them with specie, they contributed to diminish the excessive irregularity of exchange.

The bank, then, has unquestionably given great facilities to the commercial operations of the country. Its advantages to the government have been equally conspicuous. The benefit of merely transferring the revenue of the government is no inconsiderable one. Then it enables the government to collect its revenue with certainty in all places, in a medium having nearly the same value throughout the country, and to the government entirely the same, instead of the state bank paper which, but for the United States' bank, could only have circulated in their immediate vicinities. But it had done yet more for the government, in taking upon itself the whole expence and risk of supplying the country with specie. But for it, the state banks, which had already virtually absolved themselves from the obligation to redeem their notes with specie, and which, relying on their immunity from that necessity, were still issuing their notes, would have gone on to flood the country with a depreciated currency, which would have effectually put an end to commercial intercourse, and have renewed, with exasperated symptoms, all the miseries that followed the revolutionary wars in this country and in France. Even now, the United States' bank, by the controlling ascendancy, which it has, is the only possible means for restraining the emission of paper from the state banks, or of enabling one of them to redeem their notes with specie ; for, by its charter, it is bound to redeem its own with specie ; , so long as the state banks can procure its notes, they have the power of commanding specie, which they are utterly unable to procure to any amount from abroad.

Another subordinate benefit which it confers on the government is, in saving it \$60,000 per annum, in the various loan offices which would else be established in the States, besides taking off from government the risk from irresponsible agents, and uncontrollable accidents.

But, I consider the advantages to the government and even to the commercial operations of the country, as forming the least claim, which the bank has upon the government for its support.

Whatever may be the tendency of its operations in these respects, it is a great monied institution with a capital of \$35,000,000, organized at a period of national distress, adopted after an experience of 20 years derived from the old bank, put forth under the solemn pledge of the national faith. The whole community, some from motives of patriotism, some from the love of gain, some from the fiscal benefits, some from views of commercial advantage, have become interested in the existence and

support of the institution. Is it right that all these should suffer, from the errors or the crimes of two or three directors, in whom the stockholders never confided, to whom they never willingly trusted the management of their affairs ? Against the rapacity of speculating brokers, who deserve no mercy, I will put the yet longer list of honest country people, who have been the innocent and too credulous of the fraud and knavery of others. I will put the widows and the orphans, who, incompetent to manage their little estates, had sought a refuge from the fraud and oppression of their agents, in this great national concern. Shall we, to punish the delinquency of a few public agents, expose all these to indigence and despair, by converting the faith, on which they relied for security, into the instrument of delusion and misery ? This is the predicament in which we are placed. Our rulers, stimulated by an honorable resentment against the iniquities which they at least think they have detected, pursue the defaulters with feelings which make them forget the injury they inflict on thousands of innocent, credulous, unoffending people. Engaged against vice, they will be but too apt to punish it, though the punishment should fall equally on all. Let them not think that they can correct the public mischief by any act of violence or injustice. The rage for speculation is the vice of the times, and, though they may annihilate the bank, the sin will survive. While we are chasing a particular mode of the grievance, it assumes another shape, and breaks out in a more extended calamity. So long as we have human passions, it is idle to seek to extinguish vices, which have spread their contagion so widely. Any attempt to do so, will be about as efficacious as that of the Indian who sought to dry up the river by kindling a fire upon its surface. The conflagration may continue until the forest had been consumed, but so long as rains and dews supply the sources of its fountain, the river will flow. So, in the present case, we may waste our time and public spirit in pursuing one mischief, but no sooner have we destroyed that mode of it, than it starts up in some new shape more terrible than before. Modern vice is no more nor less than ancient vice. The Devil is still the Devil in all his shapes, whether squatting like a toad, or, touched by the spear of Ithuriel he shoot into the natural magnificence of his dimensions and darken the Heavens with his form. Let no man imagine, then, that we shall become more virtuous by ruining the bank and all that are concerned in it.

On the contrary, revoke the charter of the bank, and we turn loose upon society a multitude of ruined peoplesome of them, already oppressed by the misery of their condition, will sink down in silent despairbut, by far the greater part, rendered fierce by ruin, will extinguish the sense of their misfortunes in disorder and in crime.

Yes, Messrs. Editors, I should deprecate the revocation of the charter as the last of calamities. It would at once throw into the bank every note that has been issued ; it would of course ruin it ; and, if the evil stopped there, we, who have no concern in it, might smile at our safety. But, who would be safe, when the bank, to meet as far as possible its engagements, lets loose the furies of litigious discord upon our people ; when every man, who owed a dollar to it, must pay it in a moment ; when all the specie in the country is already in the bank ; when the court house would become the exchange, and the prison the ordinary residence of our country men?\* (\*Revoking the charter would produce ruin in an infinite series. The United States Bank would first fall on the state banks, they and it would unite against individuals, and the pack would still farther encrease by having individuals against each other. The ruin of all would be unavoidable as fate.)

I have purposely avoided giving an opinion on the conduct of the directors, but they should be heard with patience in their defence. The public should suspend its opinion, and, far from taking the report of he committee as sufficient to sanction any measure, however violent, consider it as only putting men, who have borne high characters in their country, on the proof of their innocence.) This, sir, is no exaggerated picture: the evil would be inevitable but for one thing, which would happen. The states would suspend their execution laws. They would protect in this ultimate extremity of misery their citizens from ruin. The debtors of the bank them would be saved, at the expense of the bank. Thus would the government of the United States, after having created a bank, turn it loose to the mercy of the states, not only to be taxed at pleasure, but to be defeated even in collecting its debts in the last hour of its expiring existence. This would, indeed, be a pleasant scene with which to treat that jealous rival of our commercial prosperity, England. Great Britain would behold in the United States a country without a currency, without credit even at home, without internal commerce,

composed of the materials of discord instead of union, and all exasperated by the reciprocal hostility between each state, and every other, and of all against the federal government.

Whatever might be the result of a revocation of the charter, will equally ensue from issuing a scire facias. For, so soon as that shall be done, every man having a note will rush to the bank to convert it into specie. To distrust the safety of a bank, as certainly produces this effect as its extinction could. Already the public is dissatisfied with a paper on which the report of the committee and the proceedings of Congress have fixed some opprobrium. Let but a scire facias issue, and the bank can never retrieve its character or redeem its notes. It would be easy to shew that, if the report of the committee be true throughout, a court of law could never rescind the charter. Why, then, by giving the sanction of Congress to such a measure, destroy the bank in the public opinion, by which it will be ruined before it can be heard? I wish I could pursue this question farther, and shew that all the objections to the management of the bank go to its Officers, and not to the Institution. But, I have already gone beyond the limits I had assigned myself, and shall conclude by imploring of Congress some consideration for those whose fate depends upon their breath. The extinction of a charter embracing 35,000,000 of capital, can neither be silent, nor frivolous in its effects. It will be the explosion of a volcano, whose fire and lava may, to be sure, consume half a dozen brokers and swindlersbut it will desolate in its progress many a peaceful vale, and cover with its ashes the shed of many an innocent hamlet. But the government of the United States will never convert its bank into a mine, not of riches and felicitybut of exploding and desolating ruin. These are the sentiments of one who is neither a director nor even a stockholder, and who yields precedence to no one in the concern he feels for this country.

A COUNTRYMAN.

Extract of a letter dated Zanesville, Ohio, 27th Jan.

David I. Marple, the absconding cashier of the Muskingum Bank, was brought back last night, but, unuckily, with only \$2,000 money. It is confidently believed he carried away much more. His return is highly important to the character and interest of this place ; but will not do much towards re-establishing the credit of the bank paper.