

## COMMUNICATION

FROM

THE SECRETARY OF THE TREASURY,

TO

*The Chairman of the Committee*

TO WHOM WAS REFERRED

THE ADDRESS OF NINIAN EDWARDS.



MAY 11, 1824.

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## TREASURY DEPARTMENT,

May 8th, 1824.

The Secretary of the Treasury has had the honor to receive the letter of the Honorable Mr. Floyd, Chairman of a Select Committee of the House of Representatives, dated on the 28th ult. transmitting the "Address of Ninian Edwards," and expressing the readiness of the Committee to receive any communication which the Secretary may think proper to make, in reference to the same, and he now submits the following remarks in answer to the accusations contained in that address:

But, before he enters upon an examination of the subject of the "address," he thinks it due to himself to disclaim the imputation of having taken advantage of the moment of Mr. Edwards's departure, to arraign the testimony which had been given by him before a former select committee of the House. As the Secretary had no recollection of the communications to which that testimony referred, and as they were not on record in the Treasury Department, he considered himself bound to state the fact: and the occasion which was presented by the transmission to the House of other papers relating to the same subject, appeared a suitable one for making the statement. The terms in which it was made will shew that no disrespect towards Mr. Edwards was intended. And, if the occasion was not earlier presented, the delay, so far from being caused or sought by the Secretary, was produced by circumstances beyond his control. For reasons stated to the House at the last session, the papers could not then be transmitted; and although considerable exertion was used, it was not until the day on which they were sent to the House, that the preparation of them was completed.

It is not deemed necessary, in this communication, to recapitulate the injurious allegations contained in the "address." The lateness of the session requires despatch; and this answer shall be brief and explicit.

The first charge to be noticed relates to two letters which Mr. Edwards, in his testimony before the committee, on the 13th February, 1823, had stated to have passed between the Receiver of Public Monies at Edwardsville, and the Secretary of the Treasury, and which, not having been communicated to the House under the resolutions of the 9th January, 1822, and 12th March, 1822, agreeably to Mr. Edwards's alleged expectation, and which the Secretary having stated to be neither on file nor on record in the Department, nor to be recollected by himself or his officers, he is accused of having suppressed or denied.

As the resolutions under which it is alleged that these letters should have been communicated, call only for the correspondence between certain "banks" and the Secretary, it is unnecessary to explain why, among the letters which were communicated, any correspondence between a "Receiver" and the Secretary was not to be found. Nor is it easy to imagine how any one, informed of the tenor of those resolutions, should have entertained the expectation of seeing the letters in question among the papers which were transmitted.

The blame of not having communicated these supposed letters having been thus easily removed, by referring to the terms of the resolutions themselves, which show that no such letters were called for, the next question is, whether such letters ever passed between the parties.\*

In the absence of all direct testimony, in support of his assertion, Mr. Edwards has resorted to probabilities; and has endeavored to infer a confirmation or corroboration in its favor from circumstances that are susceptible of no such interpretation. That which he chiefly relies upon is the omission of the Receiver at Edwardsville to make his depositories in the Edwardsville Bank, in the 4th quarter of 1819; which he states was in consequence of his publication and advice; and he asks whether it is to be believed that the Receiver would have withheld the depositories contrary to the Secretary's orders, without giving him a reason, and whether, if he had done so, the Secretary would not have called him to account.

The means exist, in the monthly returns of the Receiver, and the correspondence between him and the Secretary, on record in the Department, by the aid of which this may be investigated. Copies of these papers are herewith transmitted.†

By these it will be seen, that the first instructions given to the Receiver to make his depositories in the Bank of Edwardsville, were of the 21st December, 1818; that, in pursuance of these instructions, he made his first depository in that Bank on the 28th February, 1819, of \$12,000, at which time he retained in his possession a balance of \$20,092. On the 31st March, he deposited \$4,500, and retained a balance of \$18,600. On the 30th April, he deposited \$5,861, and retained \$19,158. In May, he made no depository; and in June, only \$8,179, retaining \$19,143: and from that time to the 30th December, he made no depository. Whence it appears, that, with the exception of a small sum, in June, amounting to less than one third of the money then on hand, he made no depository between the last of April and the last of December, a period of eight months; during which he retained an increasing balance of from \$20,000 to \$56,000! and that, even on the last of December, he did not pay over, by about \$10,000, all the money then in his possession.

Instead of a withholding of the depositories, in the 4th quarter of the

\*Two facts must have occurred, if these communications were made, to account for the letter of the Receiver not being on file, and for the Secretary's answer not being on record, or among the rough drafts: 1st, That the letter itself has been lost; 2d. That the answer was not copied. Though the concurrence of these two facts is possible, it is highly improbable.

†See accompanying papers, from No. 1 to 29, inclusive.

year, here is a retention of them, with the exception before noticed, for eight months. It was scarcely contended that all these omissions of duty were the result of the advice given by Mr. Edwards to the Receiver, to withhold the deposites, until he could receive the Secretary's instructions. On the contrary, it will be shewn, by the correspondence, as far as it is susceptible of being shewn, negatively, that no part of these moneys was withheld from deposite, upon that pretext.

On the 6th of August, at about which time the Receiver's monthly return, for June, was received, the Secretary wrote to the Receiver to know why he retained the public moneys in his hands, contrary to his instructions, and informing him, that, as there was a bank at his place of residence, there could be no excuse for his doing so.

On the 18th of September, (see No. 20) Mrs. Stephenson, the wife of the Receiver, answered this letter, in consequence of the absence of her husband, and informed the Secretary that, from what she had heard in conversation, between the Receiver and others, she believed he had retained the money to meet the drafts of certain public agents in that country, which the Secretary had authorized him to purchase. And it is to be observed, that though this was "the fall of 1819," Mrs. Stephenson said nothing of Mr. Edwards's publication or advice.

On the first of November, (see No. 23) the Secretary wrote again to the Receiver, complaining of the continued detention of the public money in his hands, which he presumed had been the result of his letter of the 9th of April, (see No. 17) and directed, that, immediately on receipt of this letter, he will pay into bank the whole of the public money in his possession on the 30th inst., and farther instructing him not to consider the letter of the 9th of April as authorizing him to retain the public money in his hands at the end of each month. Here, it appears, that, so far from attributing the withholding of the deposites to the cause alleged by Mr. Edwards, the Secretary attributes it to the cause assigned by Mrs. Stephenson, in her letter of 18th of September. And it is worthy of remark, that this is the last letter on record, from the Secretary to the Receiver, in relation to the deposites in the year 1819; and that this was the last letter written to him, on that subject, in that year, will appear by a reference made to it, in a letter from the Secretary to the Receiver, of the 20th of April, 1820, (see No. 26) which is more particularly noticed hereafter.

On the 28th October, (see No. 22) the Receiver, who had then returned home, wrote to the Secretary, acknowledging the receipt of a letter of the 21st of September, (see No. 21) with a new form of an account current.

On the 5th of November, (see No. 24) the Receiver wrote to the Secretary, enclosing a draft, which he had purchased, transmitted his monthly return for October, and noticing a small error in his account for August.

On the 16th of November, (see No. 25) he again wrote to the Secretary, enclosing the 2d of the draft, which he had transmitted on the 5th. But, in all this time, there was no allusion to Mr. Edwards's

publication and advice; although "the fall of 1819," was now nearly gone.

At last, on the 31st of December, (see No. 12) the Receiver made a deposite in bank, in consequence, it is fairly to be inferred, of the peremptory order of the Secretary of the 1st of November, and in consequence of that only.

That Mr. Edwards's publication and advice were not the cause of the retention of the money, by the Receiver, before the 18th of September, is manifest from Mrs. Stephenson's letter of that date.

That no such cause of retention existed, within the knowledge of the Secretary, before the 1st of November, is manifest from his letter of that date. If the Receiver had, at any time between the date of his wife's letter and of his own letter of the 16th of November, made the communication alleged by Mr. Edwards, it is to be presumed that he would, in some manner or other, have alluded to it in that letter, or in the previous one of the 5th of November. He must have discovered, on his return from Kentucky, that the Secretary was dissatisfied with him, for retaining the public money in his hands. He must have been aware that every subsequent return which he transmitted to the Treasury, as it exhibited an increasing balance, and as it shewed that he made no depositories in bank, would aggravate the Secretary's dissatisfaction. Under such circumstances, what would be so natural for him, when he had occasion to write to the Secretary, as to make some allusion to the communication which explained the reason of his apparent disobedience, and to the instructions which he expected in answer, for the government of his conduct in that important particular? The presumption is, that, if such a justification of his conduct as is now pretended, had existed, he would, without doubt, have assigned it; but, instead of doing so, he contented himself with the excuse made by Mrs. Stephenson. Therefore, he was silent on the subject. He waited the result of her letter. That, he received in December: and accordingly, in December, it is found that, in partial compliance with the peremptory order contained in the Secretary's answer to his wife's letter, he made a deposite in Bank.

That no other letter was written to him on the subject of his depositories, after that of the 1st of November, is to be inferred from the tenor of the Secretary's letter of the 20th April, 1820, which was produced by his renewed remissness. This letter begins thus:

"On the first of November last, you were instructed to pay into bank the whole of the money in your hands on the 30th of that month, and not to retain the public money in your hands at the end of each month. By referring to your monthly returns for the months of December, January, and February, it appears that the instruction has not been complied with—a sum exceeding \$10,000, upon an average, having been retained by you, during those months. As the bank in which your depositories have been directed to be made is established in the place in which your office is kept, the retention of the money, or any part of it, one day beyond the expiration of the month, is without

any apparent excuse." After again repeating the directions for him to deposite, and remarking upon some irregularity in his returns, the Secretary concludes thus: "It is expected that all regulations addressed to public officers will be promptly complied with; and that, when, from any circumstance, this should be found impracticable, the cause of non-compliance shall be communicated without delay."

If any instruction in relation to his deposites had been given to the Receiver, since the order of the 1st of November, that order would scarcely have been referred to alone. And, if any excuse or explanation had been received by the Secretary, subsequent to the 1st of November, such as would have been afforded by Mr. Edwards's publication and advice, the order of the 1st of November would not have been repeated and renewed as an order unsatisfied and unanswered. The style and manner of this letter of April 20, indicate not only that neglect had occurred, but that no explanation had been offered for the neglect. The Receiver's answer confirms this conclusion. The Receiver had found, by the letter of the 1st of November, that, so far, the excuse offered by Mrs. Stephenson, of retaining money to meet the Indian payments, had been admitted. But, when, in the month of April following, he was called upon to account for his subsequent omissions of duty, omissions for which that excuse would no longer avail, would he not, in justification of himself, have naturally referred to any and every letter that he had written on the subject? and, if, in any such letter, he had made a communication of the kind alleged by Mr. Edwards, would he not, on this occasion, have made some allusion to it?

All these circumstances, corroborating each other so fully, are not only irreconcilable with the inference which Mr. Edwards draws from the withholding of the deposites by the Receiver, but they lead inevitably to the conclusion, that the alleged communication of his publication and advice, as a reason for withholding the deposites, was never made to, or received by, the Secretary, and that no such letter, as he alleges to have been written by the Secretary, was ever written in consequence of any such communication.

There is, however, other testimony furnished by the Receiver and Mr. Edwards themselves, which confirms this conclusion.

Mr. Edwards has stated, on oath, that he made the publication, and had it specially communicated to the Secretary by the Receiver, for the purpose of apprizing the Secretary of his intention to withdraw from the Bank, and his determination to relieve himself from all responsibility in regard to it, leaving the Secretary to judge for himself, from the returns, which he required it to make, of the propriety of continuing it a depository of public money:—that, "according to the pledge which he had given in his publication, he resigned his seat as a director. And, though he was once elected to the same station since that time, he refused to accept it, nor has he had any thing to do with the management of the Bank, since the fall of the year 1819."

Yet, in the following winter, Mr. Edwards is found presenting

himself to the Secretary, not only in the character of a director of the Bank, but of a director, specially delegated and authorized by the Bank to conclude an important arrangement with the Secretary, in respect to the terms on which the Bank was to continue a depository of public money. By the printed papers accompanying the Secretary's report to the House, of the 27th of April, 1822,\* it appears, that, on the 16th of February, 1820, Mr. Edwards being then in Washington, transmitted to the Secretary a letter from the Bank to the Secretary, signed by this very Receiver as President of the Bank, containing a list of the directors, for the year 1820, in which Mr. Edwards's name is included; that, at the same time, he also transmitted to the Secretary a letter from the Bank, signed by the same Mr. Stephenson, informing the Secretary that Mr. Edwards, "one of the directors of the institution," is authorized to suggest certain modifications of the contract between the Secretary and the Bank, and to conclude such arrangements as he may deem acceptable, "which will be considered obligatory;" and, he likewise transmitted, at the same time, a letter from the Bank, addressed to himself, signed also by Mr. Stephenson, stating to him at large the changes desired by the Bank, and the reasons therefor.

Is this compatible with the impressions which the statement, contained in his testimony, is calculated to produce? If he had ceased to be a director, and publicly withdrawn from all concern in the management of the bank, in "the fall of 1819," how was it that Mr. Stephenson, the Receiver, the President of the Bank, who, as well from his official situation as from "the known friendship and intimacy" (address, page 14,) which Mr. Edwards has stated to have subsisted between them, may be supposed to have known something of his conduct and views in regard to the Bank, should, so soon after Mr. Edwards's public withdrawal, have written to him, and constituted him, in his character of director, the representative of the Bank, in a negotiation with the Secretary—that Secretary, whom Mr. Edwards was so anxious to satisfy of his having no connexion with the Bank? And, finally, how could he, if such had been the fact, communicate to the Secretary, without explanation, all these papers, which were totally at variance with it? If he had supposed the Secretary to have been informed, at the time of his having withdrawn from the Bank, in 1819, would he not also have supposed that the Secretary would be at some loss, on receiving these papers, to understand what was Mr. Edwards's actual relationship to the Bank? If he had not wished to be considered, by the Secretary, as a director and agent of the Bank, which the papers purported, would he not, in some way, have given him to understand that he was not so? Instead of doing this, in his letter to the Secretary, accompanying the papers, he referred to them as fully explanatory of their object, and thereby gave his assent to their contents.

Evidence might, indeed, be more positive, but, taking all these

\* Documents No. 1, 3, and 4, of (No. 119.)

circumstances in connexion with each other, it is doubtful whether any negative evidence could more satisfactorily establish the conviction, in any candid mind, that no such communications, as Mr. Edwards has alleged, ever passed between the Secretary and the Receiver.

Mr. Edwards claims to have found a further confirmation of the Receiver's letter having been written and received by the Secretary, in the expressions used by the Secretary in speaking of the letter alleged to have been written by him to the Receiver. The idea, however, is groundless. There is no real difference in the meaning of the words employed by the Secretary and those of Mr. Edwards, in relation to the letter. If the Receiver had discontinued the depositories, for reasons stated by him to the Secretary, (as Mr. E. alleges) and if he had, in consequence, received a letter from the Secretary, directing him to continue the depositories, (as Mr. E. also alleges) such a letter, whatever might have been its form, was, in fact, an answer to the letter of the Receiver. The denial of the Secretary that any such answer was recollected, or was on record, so far from being evasive, was direct and explicit, and covers, as was intended, the whole ground presented in the charge.

But this charge, contradicted, as it is, by all the facts which have been adduced in the case, is also rendered more improbable by the want of any assignable motive for the Secretary's alleged conduct on the subject. What object had he to serve, by continuing the depositories in the Bank of Edwardsville, if he had received any communications which authorized the opinion that they were insecure in that Bank? Mr. Edwards has charged him with an improper partiality for the Bank of Missouri, yet it was that Bank from which the depositories were taken, to be placed in the Bank of Edwardsville; and it was to that Bank that they must have been restored, if they were withdrawn from the Bank of Edwardsville. There was no other bank within reach. If the charge of favoritism towards the Bank of Missouri were well founded, the Secretary would have readily availed himself of the pretext furnished by the alleged communication of the Receiver, for restoring the deposite to that Bank.

The Instructions given to the Receiver at Kaskaskia, to deposite in the Bank of Missouri, so far from confirming the allegation, that a letter from the Receiver at Edwardsville, enclosing the publication of Mr. Edwards, had been received by the Secretary, lead to a contrary conclusion. The correspondence with that Receiver, at the period in question, is herewith transmitted.\* It appears that, on the 18th of September, 1819, this Receiver wrote to the Secretary, enclosing his account current for the month of August preceding; and, as there appeared, by that account, a large balance of public money in his hands, amounting to about \$30,000, he seems to have considered it necessary to explain the cause. His explanation was the same as that offered by Mrs. Stephenson, for a like retention of money,

\* See Nos. 30, 31, 32.

to meet the Indian payments; and, in this case, as in the other, not any publication of Mr. Edwards, or any circumstance affecting the character of the Bank of Edwardsville, which, if such, had existed, he was bound by the Secretary's instructions to communicate. It was known to the Secretary that it was not so convenient for this Receiver to deposite at Edwardsville, between which place and Kaskaskia there was very little communication, as at St. Louis, with which there was frequent intercourse. In the next letter written to this Receiver by the Secretary, which was on the 1st of November, 1819, the Secretary, without alluding to any publication of Mr. Edwards, or any letter from the Receiver at Edwardsville, which, if any had been known to him would naturally have been alluded to on such an occasion, directed the Receiver at Kaskaskia to deposite in the Bank of Edwardsville all the money in his possession, at the close of the month, and afterwards to deposite in the Bank of Missouri. The Receiver did not make this deposite, for reasons stated by him in his letter of the 10th of January, 1820, until the 3d of that month, as will be seen by the list of moneys deposited by him on that day.† From his silence on the subject, it is evident that there was nothing in the circumstances of the bank to render the deposite improper.

The accusation of having presented contradictory statements of the amount of public money, in the Bank of Edwardsville, and of having transposed other statements from that bank, in the communications made by the Secretary to the House, and of having done so for the purpose of disguising the truth in relation to the depositories in that bank, with a view to their bearing on the charge connected with these supposed letters, is altogether without foundation. The bank statements of December and November, which are referred to, either formed part of, or accompanied, the letters, which they immediately follow in the printed papers; the first having been written on part of the same paper as the letter of the 7th of January, 1820, to Mr. Edwards, and the latter having been enclosed in the letter of the 6th of January, and both the letters and the statements having, when transmitted by Mr. Edwards, in his letter of the 16th February, been, it is believed, in the same order as that in which they appear in the documents. The Treasury statements, from which the balances in the Bank of Edwardsville, at the end of the 2d, 3d and 4th quarters of 1819, are quoted by Mr. Edwards, were prepared, by the Treasurer, from materials in his own possession; and the Secretary had no more to do with the preparation of them, than Mr. Edwards himself. They were communicated as the statements of that officer. The cause why the statement for the 4th quarter of 1819, differs in amount from that rendered by the bank for the same period, is, that, in the former, the Treasurer has deducted from the sum standing to his credit in that bank, the amount of two drafts which he had drawn on the bank, and which had not been paid at the time, when the bank statement was prepared. The sum stated by the bank is, therefore, more than that

† See No. 7 of (No. 119.)

stated by the Treasurer, by the amount of these drafts. This is more particularly shown in the accompanying note from the Treasurer,\* all of whose statements are prepared on the same principle, and have always been so prepared. It is considered unnecessary to dwell longer on this branch of the subject. That no such communications, as Mr. Edwards alleges, were made, is believed to be conclusively demonstrated: and if so, no arts could have been resorted to for the purpose of concealing them. But, at every stage of this investigation, this remark naturally suggests itself; that even if both the communications alleged had actually been made, there was nothing in that fact for the Secretary to conceal; Mr. Edwards has stated, on oath, his opinion, that, in the fall of 1819, the Bank of Edwardsville was in as good a condition as any bank in which the public moneys were deposited; and, if so, what necessity was there for the Secretary to discontinue the deposits? Whether Mr. Edwards was, or was not, a director, and whether he did or did not choose to be responsible for a bank, if the bank were in a good condition, was a matter that ought to have had very little influence upon the conduct of the Secretary of the Treasury. In connection with this charge, it is to be remarked, that it is true that communications were made to the Secretary against the Edwardsville Bank, and particularly in a letter from the President of the Bank of Missouri, of the 9th of August, 1819. But, as the Receivers, both at Edwardsville and Kaskaskia, were instructed, by the Secretary's letter of the 31st of December, 1818, that, if any circumstance affecting the character of the Edwardsville Bank, should come to their knowledge, they should communicate the same to the Department, and as no such information was received from them, and as the Bank continued to fulfil its engagements, there was no sufficient reason for discontinuing the arrangement which had been made with it. The fact is, that it was not until two years after the letter of the President of the Bank of Missouri referred to, that the Edwardsville Bank stopped payment. But although this charge is considered as sufficiently answered, the only remaining circumstance presented by Mr. Edwards in its support shall also be noticed. He represents himself to have stated, in two letters written by him to the Secretary, in February, 1822, that he had made such a publication, that the Receiver had transmitted it, that the Receiver's letter containing it had been answered, and infers, from the Secretary's silence on the subject, an admission of the fact.

That the Secretary did not reply to this, or to any of the other matters contained in those letters, resulted from his having declined any correspondence with Mr. Edwards on the subjects to which they referred, in consequence of a menace which the first of them contained. This will be seen by the Secretary's answer, which, together with Mr. Edwards' letters, are herewith transmitted.—See Nos. 30, 31, 32.

The next principal accusation to be examined, relates to the Se-

\* See No. 29.

retary's transactions with the Bank of Missouri; and charges him with having, in the arrangements made with that Bank, in regard to the public depositories, allowed it advantages for which it rendered no equivalent, and with having received from it uncircurrent bank notes, which he was neither bound nor authorized to receive. The direct connection between the Treasury and the Bank of Missouri began on the 1st of August, 1818.\* Before that time the Bank had acted as the agent of the Bank of the United States. It had fulfilled its engagements with that institution, with good faith; its condition was considered sound and prosperous; and its reputation stood high, as well in the Atlantic, as in the western states. The large amount of money to be received from the sale of public land in that quarter rendered a connection with such a bank not only convenient but necessary.

In the first arrangement with the Bank, there was no stipulation as to what kinds of money it should receive or pay for the Treasury. The Receivers were instructed to receive the notes of such banks as paid specie on demand for their notes, and no others; and to deposit them in bank to the credit of the Treasurer. When public disbursements were to be made, the Treasurer issued his drafts, and the Bank discharged them in such funds as it had received.

On the 23d of June, 1819, the Secretary, in the execution of a general system, which had been adopted with the approbation of the President, for the reasons stated in his report to the House of Representatives, of the 14th of February, 1822, and in his letter to the chairman of a select committee of the House, of the 24th of February, 1823, proposed a new arrangement to the Bank.† By this arrangement, the Bank was to receive the notes of such specie paying banks, as were in good credit, and in general circulation, and to account for them as cash: to transfer to the Bank of the United States, or its branches, the surplus of the money which it might receive, that could not be disbursed at the Bank; and for the expense and risk of making those transfers, which were expected to amount to a very considerable sum, it was to have a standing deposite of \$150,000, which standing deposite was always subject to be reduced by any disbursements that could be made at the Bank. This arrangement was accepted by the Bank on the 9th of August, 1819.‡ It was modified in August, 1820, by limiting the local bank notes to be received, to those of the Atlantic cities, and of the state of Missouri,§ and thus it continued until the Bank stopped payment, on the 14th of August, 1821. To estimate, justly, the advantages offered to the bank by this arrangement, it is necessary to examine what were the probable services to be rendered by the bank under it: About the time when the Secretary's proposition for allowing a standing deposite was made to this bank, there was a balance remaining in bank, over and above what could be expended there, of upwards of \$640,000,|| and this,

\* See document I, No. 1, 2, & 3, [66.] † See I, No. 5, [66.] ‡ See I, No. 6, [66.] § See I, No. 14, [66.] || See Bank statements of July and August, pages 53 and 54, of No. 119.

too, after the bank had transferred upwards of \$100,000. This large balance had accumulated in rather less than a year. Taking into consideration the revival of credit among the western banks, which had then taken place, it was reasonable to suppose that the payments into that bank would not decrease more than one half during the next year; upon this supposition, the amount to be transferred under the arrangement would be about \$320,000 a year. The risk and cost of transferring money from St. Louis to Louisville, which was the nearest point to which it could be transferred, has been stated by the President of the bank, in his letter of the 29th November, 1819,\* to be at least 3 per cent. which, upon that sum, would be \$9,600; and that was reasonably to be looked to, at the time the arrangement was made, as the value of the service, probably, to be rendered under it, in this respect, by the bank, to the Treasury.

It is true that, from causes not then to be foreseen, the subsequent payments into the bank fell short of what had been anticipated. But it is also true that the whole of the stipulated standing deposite was not always on hand. It has already been stated that this standing deposite was, at all times, liable to be drawn upon by the Treasury. By the Treasurer's statement of quarterly balances, accompanying the Secretary's report to the House, of February 27, 1823, it appears that it had been so drawn upon, and that, at the close of six different quarters, the whole amount in bank for which drafts had not actually been issued, was less than the stipulated amount of standing deposite, by an average of 20,000 dollars. By a statement accompanying the letter from the President of the bank, of the 30th June, 1821,† it appears that, at the close of ten successive months, "the whole sum in bank was actually less than the amount of the stipulated deposite, by an average of \$20,000; and if, at all other times during the two years' continuance of the arrangement, the full amount were in bank, the average of the sum actually in bank during the whole period would have been but 140,000 dollars. But, it is to be observed that, in estimating the value of such a deposite to a bank, the certainty of its continuance, for a given time, at least, is to be taken into consideration. In respect to this standing deposite there was no such certainty: it depended wholly on the convenience of the Treasury. It was constantly subject to drafts for any part, or even the whole, and it was frequently drawn upon. The idea, therefore, that this stipulation in regard to the standing deposite, was equal to an allowance to the bank of 9,000 dollars a year, is wholly fallacious.

It is proper to look, on the other hand, to the services rendered by the bank. During the continuance of the arrangement, the bank transferred, at its own risk and cost, 454,000 dollars, in cash, and about 138,000 dollars in notes, in kind. Calculating, then, the value of the transfers at the rate stated for transferring to Louisville, which was the nearest point, at three per cent. and the value of the standing

\*See I. No. 8, [66.]

† See I. No. 16, [66.]

deposite, actually on hand, at six per cent. a year, the rate of interest, it appears that the services actually rendered by the bank, in transferring the public money, may be estimated to amount to 17,800 dollars; and that the benefit enjoyed by the bank from the standing deposite, without making any deduction on account of its uncertainty, may be estimated at 16,000, thus leaving a balance in favor of the bank. But, allowing the advantage and the service to be equal, in this respect, nothing then remains but the advantage derived by the bank from the temporary and uncertain possession of the surplus which sometimes remained over and above this deposite, as a compensation for all its other services, in becoming responsible for the notes received by it, in converting them, as far as was requisite, into such funds as might be transferred to the United States Bank, or as might be required in payment of Treasury drafts, which were always demandable in specie, or its equivalent, and which, as appears by the letter from the President of the bank,\* of the 30th June, 1821, were always so paid. Hence, it appears, that, not only were no undue advantages intended to be granted to the bank by the arrangement, but that, supposing the payment of the debt now due by it to be secured with interest, as is believed to be the case, the bank has actually enjoyed no advantages under the arrangement for which it will not have rendered an equivalent.

It is true, this bank has failed. But it appears, by a document produced and relied upon by Mr. Edwards, that, after a thorough examination, by order of the Missouri Legislature, that its failure is not attributable to any act of dishonesty on the part of the Directors, but to that cause only, which has produced a general suspension in the Western Country;† and that, "with a reasonable indulgence, it will be enabled to redeem its notes, and pay all its debts." The sum due by it to the Treasury, is already in a course of payment, and its ultimate discharge, with interest, is deemed, by persons who who are well acquainted with the security, to be well secured.

The correspondence which led to the reception of the uncurrent notes, which Mr. Edwards has charged the Secretary with having improperly received from the Bank of Missouri, commenced with the letter of the "resident of the Bank, of the 9th August, 1819. He there proposed, among other transfers, to transfer \$50,000 in such paper of North and South Carolina and Georgia as was authorized to be received; \$40,000 in notes of the Bank of Virginia; \$103,000 in notes of the Bank of Kentucky and its branches; \$15,000 in notes of the Bank of Vincennes; and \$70,000 in notes of the Banks of Tennessee, such as were authorized to be received, and \$25,000 in such Ohio notes as were authorized to be received; all of which were then in bank.

It is to be observed, that the letter in which this proposition was made, is the same letter which contains the acceptance by the

\* See I, No. 16. [66.]

† Address, page 46.

bank of the arrangement, under which it was, for the first time, to be responsible in cash for all the public money which it might receive. If, then, it can be shewn, that these notes had been previously received on account of the Treasury, and were at that time on hand, the agreement of the Secretary to receive the whole, or any portion of them, so far from being a subject of blame, was an obligation of duty.

It is, also, to be observed, that all the notes which the bank here proposed to transfer, were not actually transferred. Before the Secretary's answer was received, the bank had, on its own account, otherwise disposed of a great portion of them; and there were finally transferred the following:

|   |          |
|---|----------|
| Of the Bank of Tennessee and branches,      | 40,156   |
| Nashville Bank and branches,                | 29,844   |
| State Bank of North Carolina,               | 42,000   |
| <hr/>                                       |          |
| Certain District notes, viz.                |          |
| Mechanics' Bank of Alexandria,              | 890      |
| Franklin Bank,                              | 285      |
| <hr/>                                       |          |
| Certain Ohio notes, viz.                    |          |
| Farmers & Mechanics' Bank of Cincinnati,    | 11,845   |
| Miami Exporting Company,                    | 8,661    |
| Bank of Cincinnati,                         | 3,846    |
| Bank of Muskingum,                          | 291      |
| Farmers, Mechanics, and Manufacturers' Bank |          |
| of Chillicothe,                             | 350      |
| Bank of Marietta,                           | 4        |
| Bank of Steubenville,                       | 7        |
| <hr/>                                       |          |
| Making together,                            | §138,179 |

The Kentucky bank notes mentioned in the Secretary's letter of the 2d March, 1820,\* were not transferred, having been otherwise disposed of by the bank. Nor were the Georgetown bank notes, mentioned in the same letter, then transferred; and it is only within a few days, that the Treasurer has received from the agent of the Missouri Bank an order for transferring them.

That the notes thus received from the bank, had been properly taken by the Receivers, will appear from the instructions given to those officers by the Secretary, copies of which are herewith transmitted;† and that, at the time those instructions were given, they were considered, by the Secretary, as the notes of banks which discharged their notes in specie, on demand, and, consequently, notes which, by the resolution of Congress of the 30th April, 1816, were authorized to be received in payments to the United States, is manifest from the terms of the same instructions, in which the Receivers are positively interdicted from taking the notes of any bank which does not discharge its notes on demand in specie.

\* See I, No. 9, [66].

† See annexed Nos. 33 to 40, inclusive.

That these notes were received by the bank from the Receivers, during its first arrangement with the Treasury, and consequently previous to its engagement to account as cash, and that at the time they were offered to the Secretary, they were actually in the possession of the bank, is established by evidence adduced by Mr. Edwards himself. This evidence is statement E,\* prepared at the Bank of Missouri, and laid before the Missouri legislature by a committee which was appointed to examine the report of the bank, and which committee represents itself to have had before it, and carefully examined, the books, notes, and such other papers of the bank, as were necessary. The statement is "Of moneys on hand, September 6, 1819, received of the several Receivers of Public Moneys, being such as they were authorized to receive by the Honorable Wm. H. Crawford, Secretary of the Treasury." It purports to have been taken from a register kept by the Cashier of the bank, from the 8th August, 1818, to the 6th September, 1819: which period includes only twenty-seven days not embraced by the first arrangement under which the bank was accountable only in kind. By this statement, it appears, that the bank had then on hand notes, taken from Receivers, of a description not receivable by it on general deposite as cash, amounting to \$ 569,064; of which \$ 283,757, were of the kinds transferred by it to the Treasury. Hence, it appears, that, instead of the Secretary's having received of the bank uncurrent notes, which he was not bound to receive, the bank not only took upon itself the conversion into cash of other notes, to a large amount, which it had a right to pay over to the Treasury in kind; but that of the very description of notes which Mr. Edwards has censured the Secretary for having received, the bank had actually a right to require that he should receive more than double the amount of what he did receive.

It would be a great mistake, however, to suppose that the notes which were received of the Bank of Missouri were the notes of insolvent banks. Those of the Bank of Tennessee and its branches, were immediately placed to the credit of the Treasurer as cash; those of the Nashville Bank and its branches, and of the North Carolina Bank, have long since been paid; those of the Mechanics' Bank of Alexandria, Bank of Marietta, and Bank of Steubenville, were cashed by the banks to which they were transferred; of those of the Miami Exporting Company \$ 5,220 76, have recently been collected. Thus, of the whole amount transferred, there remains unpaid only about \$ 22,000, and of this sum, it is believed the greater part will be ultimately paid.

Considering the state of the currency in the west during the time, and the large amount received by this bank, which was about \$ 1,164,000, it is doubtful whether any individual transactions of equal extent, though attended to with great care, would have been followed by less ultimate loss.

That the charge of having favored this bank, at the sacrifice of

\* See Address, page 50, 51.

the public interest, is without foundation, must be evident from the facts which have been here exhibited. That the bank does not consider itself as having been favored by the Treasury, is proved by the fact that a claim has been preferred by the bank for an allowance, upon the ground that the services which it has rendered to the Treasury, have not been sufficiently compensated. And it is a remarkable coincidence of circumstances, that, at the very time that a charge is preferred by Mr. Edwards against the Secretary, for having done too much for that bank, the agent of the bank is at Washington, petitioning Congress, because the Secretary has done too little.

The transactions with the Bank of Missouri being thus explained, the only other acts, included in the charge against the Secretary, of having received uncurrent funds, in payment from Banks, are the receipt of \$15,000, in notes of the State Bank of North-Carolina, and \$18,562, in notes of the Bank of Kentucky: the former from the Tombeckbe Bank, and the latter from the Bank of Edwardsville.

Although, by a rigid construction of the arrangement, by which these Banks agreed to account for the public depositories, received by them, as cash, the whole amount might, perhaps, have been demanded of them in specie, or United States' Bank notes; yet, such was never the intention of the parties. The term "cash" was used, in opposition to that of "special deposite," and was not meant to render the banks liable for the payment of specie, for notes, which they might receive, on behalf of the Treasury, and which might cease to be convertible into specie. Such a construction is opposed by the Tombeckbe Bank, in its letter of the 13th of August, 1819, [see M. No. 5, [66,]] although the President of that Institution expresses its willingness to leave the construction to the "justice and liberal policy" of the Department. It is more emphatically disclaimed, however, by the Bank of Edwardsville, in its letter to the Secretary, of the 18th April, 1820, [see G. No. 3, [66,]] and in its letter to Mr. Edwards, of the 6th of January, 1820, [see A. No. 2, [119,]] heretofore referred to. In that letter, the Bank maintains that "It is not supposed that any construction of the conditions, upon which the depositories were received, can render the Bank the guarantee of those banks, because it would be contrary to every principle of reason, to suppose that the paper of other Banks, who have, or may, suspend specie payments, shall, by the mere act of deposite, in this Institution, by the Receivers, be converted into specie, or its equivalent, and this Bank held accountable for it, as such. We are persuaded this never was the intention of the Secretary of the Treasury, nor can be inferred, from the conditions upon which the depositories are made." This letter, as it was written by the President of the Bank, to one of its Directors, whom it had constituted an Agent for negotiating a modification of its arrangement, with the Treasury, may be naturally supposed to contain its real views. And although Mr. Edwards now denies the construction then contended for, by the Bank, yet, from the terms in which he communicated the letter to the Secretary, it is presumed that he then gave it his assent.

But, although this construction could not be formally acknowledged by the Secretary, without leading to the evil which the terms of these arrangements were partly intended to prevent, that of "special deposites," yet, it was always his intention, whenever the case presented itself, to admit such an interpretation of the contract, as might be equitable, and not injurious to the public interest. The letter of the Tombeckbe Bank, of the 3rd of August, 1819, stating that there were then on hand, in that Institution, \$15,000, in North Carolina notes, which had been received, on deposit, for the Treasurer, and which it had not yet been able to exchange, although no care had been spared in effecting that object, "since some difficulties were understood to affect the Bank," presented a case of this kind. At that time, the State Bank of North Carolina had not stopped payment, although it did so before the Secretary's answer was communicated to the Tombeckbe Bank. The Secretary having called upon the State Bank to disclose the means of paying such of its notes as had been received, on account of the Treasury; and having been informed, by the Bank, that it did possess the means, and would speedily apply them to that object, consented that these notes should be transferred, from the credit of the Treasurer, in the Tombeckbe Bank, to the credit of the Treasurer, in the State Bank of North Carolina; and by that Bank they were afterwards paid, as were all the other claims, of every kind, which the Treasury had upon it.

The case of the Edwardsville Bank, added to the equitable considerations which were presented in that of the Tombeckbe Bank, were considerations of policy. The communication of the Hon. R. M. Johnson, made on behalf of the bank, and referred to in the Secretary's letter of the 2d February, 1821, (see G No. 8. [66] which communication was made with the concurrence of Mr. Edwards, stated that the bank had on hand upwards of \$20,000, in notes of the Bank of Kentucky, which had been received on account of the Treasurer before the suspension of specie payments by the bank. This representation being corroborated by an examination of the bank statements and certificates, as appears by the Secretary's report to the House of the 27th April, 1822; and there being then some reason to apprehend a want of punctuality or of good faith on the part of the Bank of Edwardsville, the Secretary consented that these notes should be transferred at the risk of the bank, from the credit of the Treasurer in that bank, to the credit of the Treasurer in the Bank of Kentucky. In doing so, the Secretary considered himself not only satisfying the demands of equity, but promoting the public interest; inasmuch as the Bank of Kentucky, though it had suspended the payment of specie, was known to be solvent. Although the notes, thus transferred, have not yet been paid, the most positive and formal assurance has been given, that the debt is perfectly safe, and will most certainly be repaid at no very remote period.

Mr. Edwards has offered an extract from the Secretary's letter of the 11th of December, 1818, to the President of the Planters and

Merchants' Bank of Huntsville, as proving that the Secretary's conduct in receiving these notes, is at variance with his own interpretation of the obligations of the banks in that respect. But, by referring to the letter itself, it will be found that, in presenting the extract, an important omission has been made, by which the Secretary's opinion on the point is wholly misrepresented. As quoted by Mr. Edwards, the passage is in these words:—"In making the Planters and Merchants' Bank of Huntsville a place of deposite, at its particular solicitation, it was expected that the transfer of funds which it undertook to make, would be effected in funds that circulated at par, at the place where the transfer was directed. As the receiver had been directed to receive the bills of no banks which did not discharge them in specie on demand, it was expected that the bank would be answerable for the amount deposited, in specie, or in bills which would be received as specie, at the place to which the money should be directed to be transferred, unless it should state the contrary. But," as continues the Secretary, (and this is the part omitted by Mr. Edwards,) "as no explanation of this nature has been made or sought on either side, this requisition will not be rigorously required." There is, however, no question concerning this bank, as no uncurrent notes were ever received from it.

The charge of having received uncurrent notes from the Banks of Missouri, Edwardsville, and Tombeckbe, contrary to the agreement with those banks, and contrary to law, being thus answered, there remains, in connection with this branch of Mr. Edwards's accusation against the Secretary, only that of having, in his report to Congress, misstated the amount so received. Upon a thorough examination, however, it is asserted, that all the notes received from those banks, for which the Treasurer did not receive a cash credit in the banks to which they were transferred, were specified in the report made by the Secretary on the subject, with the exception of \$285 dollars, in notes of the Franklin Bank of Alexandria, which formed part of the funds received from the Bank of Missouri, agreeably to his letter of 20th of March, 1820, but which, in his report of the 14th February, 1822, were accidentally omitted to be mentioned. That there was no intentional concealment on this subject, is evident from the manner in which the Secretary complied with that part of the resolution which referred to it. By the resolution, he was required to state, whether any uncurrent or depreciated paper had been received from certain banks, which the Government was not bound to receive. As the Secretary was of opinion, that all the paper of that description which he had received from those banks was paper that he was bound to receive, he might, without blame, have answered, that none such as were alluded to in the resolution had been received. Desirous, however, to put the House in possession of all the facts, he stated what uncurrent paper had been received, and why it had been received; and he included in the statement, paper to the amount of several thousand dollars, which, at the time he made his deposite, had actually been paid in cash. Under these circumstan-

ces, it might have been reasonably supposed, that this trivial omission was, as was truly the case, wholly accidental, and unintentional.

The charge of withholding letters and information called for by the House, rests upon no better foundation. This, however, may have originated in part, in the want of attention to the true import of the resolution under which these letters and information were called for. The resolution of the House, of the 9th January, 1822, as printed, required "a statement shewing in what banks the moneys received from the sale of the public lands have been deposited, since the 1st January, 1818; the contracts under which the said deposites have been made; the correspondence between them and the Treasury Department relative thereto," &c. &c. &c. It has been doubted, whether, according to the proper rules of construction, the correspondence here called for, related to any thing more than the contracts. It is believed, however, that this doubt gives place to certainty upon an inspection of the resolution, as transmitted to the Secretary by the Clerk of the House, between which, and the resolution, as printed, there is a remarkable difference in the punctuation. That which appears in the latter as the first member of a sentence, terminating with a semicolon, is in the original (see annexed No. 41,) which is herewith transmitted,) a complete sentence ending with a period. By this difference, the words "relative thereto," are made applicable exclusively to the contracts; and, of course, the correspondence required by the resolution, is the correspondence between those banks and the Treasury, relative to the contracts under which the moneys received from the sales of public lands since the 1st January, 1818, have been deposited.

It will be seen, however, that, in the collection of the correspondence, it was not confined to that object; but, that, in addition to every thing which related thereto, there was communicated so much of the other correspondence with the banks referred to, as would enable the House to form a just opinion of the whole subject, not only of the arrangements with these banks in this particular, but of the relationship subsisting between them and the Treasury.

The resolution of the House, of the 12th March, 1822, had reference only to three banks, those of Edwardsville, Tombeckbe, and Missouri; it called for no correspondence except in relation to the bank of Missouri, and as it required all the correspondence in relation to that bank not before communicated, all such correspondence that could be found was transmitted. Yet, although these two resolutions are distinct from each other in their requirements, Mr. Edwards affects to consider every letter which was communicated under the latter as having been improperly withheld under the former.

That some of the papers transmitted under this resolution, might not, with propriety, and perhaps with advantage, have been sent under the first resolution is not asserted. Whether any such, if such there be, were accidentally omitted, or whether they were not deemed necessary to an understanding of the subject, is not now recollected.

As there was no consciousness on the part of the Secretary that any of his transactions required concealment, or merited censure, and as it was supposed that the object of the resolution was exclusively to obtain information, the whole aim in selecting the papers and making the communication, was to put the house in possession of such information, and such only, as would best serve to elucidate the subject to which it related.

But, to whatever cause the omission of any of these papers is attributable, the omission itself is unimportant. It is believed, that the papers communicated under the second resolution, or the great mass which has been communicated under the third resolution, disclose no new fact which it was important, in relation to the subject of the resolution, either to communicate or to withhold. The idea of concealment was wholly out of the question. The delicate nature of many of the letters communicated under the first resolution, shows, perhaps, a leaning the other way. But, there was really nothing of moment to be concealed. The general outline of the arrangements with the western banks was well known. They had been published in most of the newspapers in the countries interested in them: and they were familiar to many gentlemen in Congress, some of whom had been among the first to press upon the Secretary the necessity and advantage of such arrangements.

Disclaiming, then, in the most unqualified manner, any wish or intention in the Secretary of concealing any part of his conduct in relation to those banks, the opinion is confidently repeated, that, after an examination of all the correspondence that has been, at various times, communicated to the House, it will be found, that, although more ample details are exhibited, because the papers subsequently presented are more numerous, as clear and faithful a view of the connection between the western banks and the Treasury was presented under the first resolution, as is exhibited in the whole mass of the correspondence. But, if the fact were otherwise, nothing could be more unjust than to consider the omission of every letter not communicated under that resolution, as a suppression with an improper design.

Although these explanations may be deemed a sufficient answer to Mr. Edwards's charge of suppression, generally; yet, there are some particular instances which he has specially dwelt upon, and to which he attaches particular importance, that it may be well specially to notice. The first of these, is, the circumstance that "extracts" were communicated, instead of entire letters, in parts of the correspondence with the Planters and Merchants' Bank of Huntsville.

By referring to the letters alluded to, and which have been transmitted entire, under the last resolution of the House, it will be seen, that the parts omitted to be communicated, relate to an occurrence wholly of a temporary nature, entirely unimportant in itself, and having no bearing whatever on the subject of the call. It seems, that, after the termination of the arrangement between the Bank of the

United States and the Bank at Huntsville, the Cashier of the former drew certain drafts upon the amount standing at his credit in the latter Bank. These, the Bank at Huntsville declined to pay, under an erroneous idea, that it was accountable to the Treasury for the money.

As soon as this was made known to the Secretary, he wrote to the Huntsville Bank, to remove the misunderstanding. The bank justified itself, by quoting certain expressions of the Secretary's circular of July, 1819. The Secretary replied, that, if the bank had quoted correctly, the circular must have been imperfect, and desired to have it sent back for examination. It was sent back; was found to be inaccurately copied; the misunderstanding was removed; the drafts were paid; and there the whole matter ended. In the passages relating to this subject, notice was also taken of the accidental omission of the bank to render some returns. These are the parts of the letters in the correspondence which were not communicated; and this explanation will show, with what little reason it has been inferred, that every omission in the correspondence contains something which the Secretary must have an improper motive to conceal.

These observations apply to all the extracts transmitted in that correspondence, except the letter of the President of the Huntsville Bank, of the 30th September, 1819. As this letter does not appear to have been transmitted under the last resolution, it is presumed to have been mislaid. The purport of the preceding part of it, is not recollected, but search is now making for it, and as soon as it is found, it will be communicated.

An additional importance is attached, by Mr. Edwards, to the circumstance of "extracts" being sent in this case, as contradicting that part of the Secretary's testimony before a former Select Committee of the House, which, speaking of the correspondence, generally, states, that, in consequence of the pressure of business, the original letters and rough drafts had been communicated under the resolution of the 14th February, 1822. No such contradiction, however, can be imagined, without misinterpreting the obvious import of the Secretary's words. He spoke of the communications generally; and it is a fact well known, that it consisted almost entirely of originals and rough drafts. But it is irreconcileable with common sense, to suppose that he meant to convey the idea, that papers which bore on their face the title of "extracts," which he had himself communicated and described as "extracts," were either originals or rough drafts.

Neither the Secretary nor Mr. Dickins has any where said, in their testimony, as Mr. Edwards supposes, that the latter delivered all the originals and rough drafts to the Secretary, and that the Secretary sent them all to the House. The fact is otherwise. All the correspondence with the banks referred to, was not called for, as has been already shown; nor was it ever asserted that all was sent. Mr. Dickins collected, as he has stated, all the correspondence that he could find, filed and unfiled, that was likely to have any bearing

on the subject; from this he selected such as, in his judgment, was required by the resolution; and such "extracts" as were made, were made under the exercise of this judgment. After the papers had been thus selected and arranged, he laid them before the Secretary, together with such statements in relation to other parts of the resolution, as the Secretary might require for his report. These papers were in the possession of the Secretary while he prepared his report; but were referred to no further than was necessary for that object; and the correspondence thus prepared by Mr. Dickins, was transmitted, in the same state, to the House. This circumstance will explain the appearance of the marks on the passages which Mr. Dickins has stated to have been marked by him for the purpose of calling the Secretary's attention to them; and which, if they had been observed by the Secretary, would have been acted on by him, either by directing the marks to be removed, or extracts excluding those passages to be prepared.

To remove all pretext for the insinuation which Mr. Edwards has founded upon the circumstance of Mr. Dickins having been employed to select the papers in this case, instead of Mr. Jones, the chief clerk, to whom it had been usual to commit the selection of papers required by Congress, it is proper to state, that the resolution of the House did, in this instance, take the usual course of reference to Mr. Jones; and that it was at his request, and upon his suggestion of the propriety of referring it to Mr. Dickins, because of his better knowledge of the subject, that the duty was transferred to him.

There is one other omission in the correspondence which has been emphatically alluded to by Mr. Edwards, and which shall, therefore, be particularly noticed. It is a letter from the Secretary to the President of the Bank at Huntsville, of the 9th of July, 1819; and is more than once referred to in other parts of the correspondence; whether it had been communicated or not, was never a subject of investigation with the Secretary, until the notice taken of it in Mr. Edwards's address rendered the inquiry necessary. After a thorough examination, however, it could not be found, either among the records or rough drafts; but, on referring, as a last resort, to a file of confidential correspondence which is kept by Mr. Jones, the rough draft of the letter was there discovered. A copy of it is herewith transmitted.\* According to the views with which the correspondence was selected under the first resolution of the House, this letter was one which would have been then communicated. It is believed, however, that the sentiments and opinions disclosed in it are far from furnishing a subject of blame to the Secretary; and, as he had communicated a letter, of similar import, written on the same day, to the Tombeckbe Bank, it may be inferred that it was not withheld by any improper considerations of delicacy in respect to the matters to which they both relate, from communicating this letter also. It is believed that the letter to the Tombeckbe Bank, of the 9th of July, 1819, was

\* See annexed, No. 42.

also marked "confidential;" and the opinion is strengthened by the reference made to it as "confidential," by the President of the Bank in his letter of the 13th of August, 1819.\* The word "confidential" was probably omitted through inadvertance, in the copy that was retained in the Department; and thus it went upon the ordinary record. If this opinion is correct, the communication of this letter corroborates the fact that the omission to communicate the letter to the Huntsville Bank, was not owing to the matters it contained, but to the circumstance of its being on a file not before the person by whom the correspondence was selected.

The Secretary is not aware, that any other letters on the confidential file appertain to the objects of the present inquiry. He submits, however, such of them as are addressed to Banks, to the examination of the committee. He takes the occasion, also, to tender to the committee, as he did to the committee appointed under the resolution, of the 6th of February, 1823, the inspection of any of the records or correspondence in the Department, that may be deemed necessary to elucidate any of the matters connected with the inquiry.

Having disposed of all the minor topics of accusation brought against the Secretary in Mr. Edwards' address, it now remains to notice the grave charge which he has preferred, of having mismanaged the national funds. As far as this charge is founded upon the particular transactions which have formed the subject of the foregoing observations, it is presumed to be sufficiently refuted. The only remaining ground of charge then is, the measure of employing the State Banks as depositories of the Public Moneys in the Western Country.

The circumstances by which this measure was rendered necessary, and the views with which it was adopted under the sanction of the President of the United States, have already been explained in the Secretary's report, of the 14th February, 1822, and in his letter to the Select Committee, of the 24th of February, 1823, to which a reference is now requested. It may be proper, however, to remark, here, that, throughout the Western Country, a general and severe distress had followed the resumption of specie payments. On the part of the Treasury, every disposition had been entertained to make the demands of the Government press lightly on a suffering people. With this view the Receivers and Collectors had been authorized, generally, to receive in payments to the United States all the specie paying bank notes in circulation; and the Bank of the United States had liberally seconded the views of the Treasury, by authorizing the reception of these funds from the Receivers and Collectors. This experiment, though it gave relief to the public debtors, had been found injurious to the *welfare* of the Bank; and, by a proper regard for its own safety, that institution considered itself constrained to decline the reception of almost all of those funds which form the currency of that portion of the country, and of those which alone it

\* See M. No. 5. [66.]

could prudently take, scarcely any were in circulation. What effect this change had upon the state of things may be inferred from a few extracts from some of the communications which were about that time made to the Secretary in relation to the subject.

"The debtors of the United States," say the Directors of the Bank of Vincennes, in their memorial of the 9th January, 1819,\* "in the western country, labor under distressing and almost insuperable difficulties in meeting their engagements; not so much from the want of means, as from the scarcity of such funds as are receivable in payment of public lands. Should the country continue in its present situation with respect to these funds, many an honest citizen, many an industrious farmer, who has migrated to this country, and has paid his last eighty dollars as a first instalment on his quarter section of land, will be compelled, at the end of five years, to leave his favorite spot, his cabin, and all the comfortable improvements, which the labor of his own hands has acquired, and, with his wife and children, seek a new home, without money to procure it. And why? Because the produce of his farm, although he may have an abundance to spare, will not command such funds as Government demand for the completion of his payments." Other representations, which are herewith transmitted, from Senators and Representatives, whose character is a sufficient guarantee for the truth of their statements, corroborate these views. The Hon. Mr. Herrick, in a letter of the 11th of March, 1818,† considers the adoption of some measures on the subject as desirable, as well with a view to relieve the people, as to preserve their affections for the present administration of the General Government. The Honorable Waller Taylor, in a letter of the 31st March, 1818, encloses a letter from a respectable source, stating that twenty per cent. had been given by those who had payments to make in the land offices, to obtain such money as would be received; that few entries of land were made; and that many, who had come from a distance to enter land, had gone away without doing so, because the money they had brought, though consisting of the notes of banks of established character, could not be received. And Mr. Taylor concurs in opinion, that the operation of the existing system was prejudicial to the purchasers of public lands, as well as the citizens of the state. In a joint letter addressed to the Secretary, on the 18th April, 1818, by fourteen western members of congress, viz. the Hon. Joseph Desha, William H. Harrison, Robert Moore, Henry Baldwin, William Hendricks, James Noble, Waller Taylor, Richard C. Anderson, Levi Barber, Thomas Speed, John W. Campbell, Samuel Herrick, Peter Hitchcock, and Philemon Beecher, these gentlemen all concur in stating, that "every mail from the west brings us the complaints and requests of the people, on the subject of the pecuniary state of our country;" and they conclude by recommending, as a

\*Page 48 of Document [No. 66.]

†See annexed Nos. 43, 44, 45, 46.

measure of vital importance, the reception of such Western paper, of specie paying banks, as were in good credit. The Hon. J. M'Lean, of Illinois, in a letter of the 5th June, 1819, speaking of one of the districts in that state, makes the following representation: "I am well assured, from my own knowledge, and letters of respectable gentlemen in that part of the country, that, if every note that will be received in payment of land, and every dollar of specie that is in the country, were in the hands of those indebted to the government for land, it would be insufficient to enable more than one tenth man of our settlers to comply with his engagement. I almost daily receive letters from the people of Shawneetown Land District, and of that part of Illinois included in the Vincennes District, stating that they are in a situation truly distressing, and that, unless there be some amelioration in the directions to the Receivers, that the time is but very short, until they expect to see the little farm and dwelling they have provided for the support and shelter of themselves and family, torn from them by the merciless, avaricious speculator. I am sorry to be constrained to say, that their apprehensions are but too justly predicated, and that they represent facts."

These are letters which have presented themselves on a hasty reference to the files of the Department. It is well remembered, however, that numerous and earnest personal representations were made by other gentlemen in Congress, both as to the pecuniary distresses of the Western Country, and the necessity of a change in the existing regulations. Representations like these could not be received with indifference. It is to be recollected, also, that, at the time when this state of things existed, the debt due for public lands amounted to about twenty millions of dollars; the greatest part of which had been contracted during the suspension of specie payments. Upon mature reflection, therefore, and with the approbation of the President, it was deemed advisable to make the arrangements with the Western Banks, which are the subject of Mr. Edwards's condemnation.

The details of these arrangements are so fully exhibited in the Secretary's former communications on the subject, that it is not thought necessary here to explain them.

As far as the interests of the people, and of the Treasury, were concerned, it is believed that those arrangements were not merely defensible, but commendable. As far as the measure affected the interests of the Bank of the United States, it is believed to be equally deserving of approbation. In a letter written by the Secretary to the President of that institution, on the 14th September, 1819, he thus explained the motives, which, as far as the bank was concerned, influenced his course on the subject.

"It has been my constant endeavor, for more than twelve months past, to prevent, as far as practicable, all collision between the Bank of the United States and the State Banks; as far, at least, as that collision might be connected with the transactions of this Department. It is not my intention, therefore, to give drafts upon the State Banks

for public money, without previously arranging with them the mode of payment.

“ Acting upon the same principle, I have endeavored, in the course of the present year, to make arrangements with the State Banks in the Western States, by which they should become the depositories of the public money collected in that section of the Union. I considered the depositories there positively injurious to the Bank, for the following reasons, viz:

“ 1st, That the Offices had already extended their discounts in Ohio and Kentucky, farther than was consistent with the interest of the Bank.

“ 2d, That every dollar deposited in them on account of the government, that could not be disbursed there, would have to be employed in discounts, or transferred to the Bank in Philadelphia, or its Eastern Offices.

“ 3d, That, owing to the state of exchange, transfers could only be made by the transportation of specie across the mountains.

“ 4th, That, owing to the geographical position of Kentucky and Ohio, the public expenditure would be extremely limited.

“ 5th, That the transportation of specie from the Western to the Eastern states, by the bank, invariably had produced, and would continue to produce, irritation in the public mind against the bank.

“ An additional reason for endeavoring to make state banks in that section of the Union the depositories of the public money, was to increase the receipts, by enabling the public debtors to pay in the notes of specie paying banks, which would not be received by the officers of the bank, and which could not be received by them, without increasing that collision, which it was my desire to diminish.”

These views, it is believed, were too just not to meet the approbation of the distinguished individual who presided over, and of the enlightened Board which then directed, the affairs of that institution. Accordingly, Mr. Cheves, in his answer of the 5th October, 1819, thus expresses himself: “ The Board entirely concurs with you in the views you take, as to the Government collections and deposite, in the Western states, which they believe to be calculated to ease the moneyed pressure on that portion of the country, as well as to meet the interests of the Government, and relieve the bank from embarrassing collisions with local banking institutions.”

It happened, however, that in three of the places where the banks were situated, with which the Secretary had made these arrangements, branches of the Bank of the United States were also established. By the charter of that bank, it was the duty of the Secretary to have stated to Congress, at its next session, the reasons why he had directed depositories of the public money to be made in these three banks. This statement, through inadvertence, was not made, as the Secretary has stated in his letter of the 24th February, 1823, to the select committee of the House. But, as a full explanation of the motives of these arrangements had been made to the Bank of the

United States, whose it interests was the object of that provision in the charter to guard, and as that institution had approved of the arrangements, and as the arrangements themselves had been published in various newspapers; and as the facts which were to be reported to Congress were of general notoriety, it is submitted, whether the Secretary could have had any motive for withholding the formal communication of the information to Congress.

Of the policy of the measure adopted by the Secretary in the employment of the Western banks, it is presumed there can be no doubt. That it has not been entirely successful, is considered to be subject rather of regret than of censure. But, that it has been mainly beneficial, it is thought will not be denied by those who candidly examine the subject in all its bearings. And, although very little ultimate loss is expected, yet, if the whole sum now due by those banks which have stopped payment, were to be lost, it is believed that the advantages which have resulted to the country, will have been cheaply purchased at that cost.

As some misunderstanding, in respect to the special deposites, seems to prevail in the public mind, resulting from the misrepresentations that have been made on the subject, it may be proper to take this occasion to remove it.

About the time that the present Secretary of the Treasury took charge of that Department, the special deposite amounted to upwards of three millions of dollars, being, on the 31st of December, 1816, \$3,031,459, all of which has since been converted into cash funds, except \$291,803. At the date of the Secretary's report of the 27th of February, 1823, the amount of the special deposite was \$927,107, including the \$291,803 abovementioned. Of this sum of \$927,107, about 64,000 dollars have since been paid.\* Hence, it appears, that, of the whole sum now on special deposite, only about \$571,000, including the sum due by the defaulting Western banks, have become special during the present Secretary's administration of the Department. When it is considered, that this embraces a period of about seven years, during which, great disorders have existed, and a great revolution has been effected in the currency, and during which, upwards of one hundred and sixty-three millions of dollars have been paid into the Treasury, exclusive of loans and Treasury notes; and that, of this sum, upwards of twenty-one millions and a half of dollars having been received, from the sale of lands, and internal duties and taxes, must have been collected in those portions of

\* This sum consists of \$5,220 76 received from the Miami Exporting Company, \$18,726 40 from the Bank of Huntsville, and \$40,943 38 in discharge of the debt due by the Branch Bank of Kentucky at Louisville.

It is believed, however, that it will now be proper to include in the special deposite the sum due by the Bank of Columbia, amounting to \$278,361 87; of this sum, all but \$40,000 were special, when the present Secretary came into the Treasury, and was placed in this bank for the purpose of being converted into cash funds, as stated in the Secretary's report of the 14th of February, 1822. Having effected this object, the bank is not now in a condition to refund the money, but an arrangement has been made by which the payment of it, with interest, has been, it is believed, well secured.

the country where the greatest disorders existed; when these circumstances are considered, it is believed that the sum which has become uncurrent during the Secretary's administration of the Treasury, instead of furnishing ground either of censure or surprise, by its magnitude, justifies the conclusion, that, in this respect, as he trusts will be found the case in all others, the Secretary of the Treasury has not mismanaged the national funds.

In conclusion, the Secretary has the honor to state, that, although it is believed that every material charge contained in the address of Mr. Edwards, has now been satisfactorily explained, yet, if, in the opinion of the committee, any further explanation be deemed necessary, it will afford him pleasure to give it, either personally or in writing.

Dr.

No. 1.

Cr.

30

*The U. S. in Account Current with Ben. Stephenson, Receiver of Public Moneys for the District of Edwardsville, Illinois.*

|  |                    |  |                    |
|--|--------------------|--|--------------------|
| 1819. To cash paid William Rector's draft, No. 22, dated 14th Jan.<br>1819 - - - | \$ 5,500 00        | 1818.<br>Dec. 31. By balance ramaining on hand per last return - - - | \$ 29,033 70       |
| Jan. 30. To balance remaining on hand to the credit of the U. States.            | 28,870 49          | 1819.<br>Jan. 30. By cash received for land sold                     | 5,336 79           |
|  | <hr/> \$ 34,370 49 |  | <hr/> \$ 34,370 49 |

**BEN. STEPHENSON,**

*Receiver of Public Moneys for Lands sold in the District of Edwardsville.*

DR.

No. 2.

CR.

*The U. States in Account Current with Ben. Stephenson, Receiver of Public Moneys for the District of Edwardsville.*

|  |             |       |  |             |
|--|-------------|-------|--|-------------|
| 1819. To twelve thousand dollars deposited in the Bank of Edwardsville, Illinois, per receipt No. 1, by order of the Secretary's letter, dated 21st Dec. 1818, |             | 1819. | Jan. 30. By balance remaining on hands as per last return, - | \$28,870 49 |
| " To cash paid W. Rector's draft, No. 2, dated 17th Feb. 1819,   | \$12,000 00 |       | Feb. 28. By cash received for lands sold,                    | 5,751 50    |
| " To cash paid Blackwell & Berry for printing, per receipt No. 3, dated 16th Feb. 1819,  | 1,200 00    |       |  |             |
| " To cash paid Wm. Rector, Surveyor, &c. of Land Office of U. States, of Missouri and Illinois, per receipt No. 4, dated 18th Feb. 1819,                       | 45 00       |       |  |             |
| " To cash paid Blackwell & Berry for printing, No. 5, dated 10th Feb. 1819,  | 1,031 06    |       |  |             |
| " To cash paid W. Poundsford for stationery, No. 6, per receipt, Nov. 9, 1818,   | 40 50       |       |  |             |
| 1819. To balance remaining on hands Feb. 28. to the credit of the U. States,   | 212 00      |       |  |             |
|  | 20,092 63   |       |  |             |
|  | \$34,621 99 |       |  |             |

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BEN. STEPHENSON, Receiver of Public Moneys for Lands sold in the District of Edwardsville.

31

Dr.

No. 3.

Cr.

32

*The United States in account current with Ben. Stephenson, Receiver of Public Moneys, for the district of Edwardsville.*

|          |   |                    |          |  |                    |
|----------|---|--------------------|----------|--|--------------------|
| 1819.    | To cash paid William Rector's draft, dated 9th March, 1819  | \$500 00           | 1819.    |  |                    |
| "        | Do do 10th do   | 1,100 00           | Feb. 28. | By balance remaining on hand,<br>per last return | \$20,092 63        |
| "        | Do do 13th do   | 300 00             | Mar. 31. | By cash received for land sold                   | 5,368 53           |
| "        | Do do 25th do   | 368 00             |          |  |                    |
| "        | To cash paid Robert Pogue, for stationery, per receipt, dated 25th March, 1819                          | 13 00              |          |  |                    |
| "        | To cash deposited in the Bank of Edwardsville, per certificate from the Cashier, dated 31st March, 1819 | 4,500 00           |          |  |                    |
| Mar. 31. | To balance remaining on hand to the credit of the U. States   | 18,680 16          |          |  |                    |
|          |   | <b>\$25,461 16</b> |          |  |                    |
|          |   |                    |          |  | <b>\$25,461 16</b> |

[ 145 ]

**BEN. STEPHENSON,**  
*Receiver of Public Moneys for Lands sold in the district of Edwardsville.*

Dr.

No. 4.

CR.

*The United States in account current with Ben. Stephenson, Receiver of Public Moneys for the district of Edwardsville.*

|           |  |            |       |  |  |             |
|-----------|--|------------|-------|--|--|-------------|
| 1819.     | To cash deposited in the Bank<br>of Edwardsville, per receipt<br>from the Cashier, dated 30th<br>April, 1819 |            | 1819. | March 31. By balance remaining on hand,<br>per last return |  | \$18,680 16 |
|           |  | \$5,861 45 |       | April 30. By cash received for land sold                   |  | 6,339 47    |
| April 30. | To balance remaining on hand,<br>to the credit of the U. States  | 19,158 18  |       |  |  |             |

**BEN. STEPHENSON,**

**Receiver of Public Moneys, for Lands sold in the District of Edwardsville.**

Dr.

No. 5.

Cr.

24

*The United States in account current with Benj. Stephenson, Receiver of Public Moneys, for the district of Edwardsville.*

|         |  |  |             |
|---------|--|--|-------------|
| 1819.   |  | 1819.  |             |
| May 31. | To balance remaining on hand,<br>to the credit of the United<br>States - - - - - | April 30. By balance remaining on hand,<br>per last return | \$19,158 18 |
|         |  | May 31. By cash received for land sold                     | 4,643 83    |
|         | \$23,802 01  |  | \$23,802 01 |

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**BEN. STEPHENSON,**

*Receiver of Public Moneys, for Land sold in the district of Edwardsville.*

Dr.

No. 6.

Cr.

*The United States in account current with Ben. Stephenson, Receiver of Public Moneys for the district of Edwardsville.*

|  |             |   |             |
|--|-------------|---|-------------|
| 1819.  |             | 1819.   |             |
| June 30. To cash paid the Register for stationery, bought by him, per receipt from him, dated this day | \$1 50      | May 31. By balance remaining on hand, per last return | \$23,802 01 |
| " To cash deposited in the Bank of Edwardsville, per certificate from the Cashier, dated this day      | 8,179       | June 30. By cash received for land sold               | 3,521 87    |
| " To balance remaining on hand, to the credit of the United States                                     | 19,143 14½  |   |             |
|  | \$27,323 88 |   | \$27,323 88 |

[ 145 ]

**BEN. STEPHENSON,**

*Receiver of Public Moneys, for Lands sold in the district of Edwardsville.*

Dr.

Cr.

*The United States in account current with Ben. Stephenson. Receiver of Public Moneys for the District of Edwardsville.*

1819.

July 31. To cash remaining on hand to the credit of the United States

21,655 15½

Dolls.

21,655 15½

1819.

June 30. By balance remaining on hand per last return

July 31. By cash received for land sold

19 143 14½

2,512 01

Dolls.

21,655 15½

**BEN. STEPHENSON,**

*Receiver of Public Moneys for lands sold in the District of Edwardsville.*

[ 145 ]

## No. 8.

DR. The United States in account current with Ben. Stephenson, the Receiver of Public Moneys at Edwardsville. CR.

| 1819.  |            | 1819.  |            |
|--|------------|--|------------|
| Aug. 2. To cash paid T. W. Smith's acct.<br>for stationery   | 39 37½     | July 31. By balance remaining on hand<br>per last return | 21,655 15½ |
| 4. To cash paid H. Warren, for<br>printing blank certificates for<br>the Register's office                                     | 50 00      | Aug. 31. By cash received for land sold                  | 15,743 30  |
| 24. To cash paid the Register for su-<br>perintending the public sales,<br>18 days, at 6 dolls. per day                        | 108 00     |  |            |
| 25. To cash, being the amount of my<br>compensation for superintend-<br>ing the public sales, 18 days,<br>at 6 dollars per day | 108 00     |  |            |
| 25. To cash paid T. W. Smith, for<br>crying the U. States land sales   | 54 00      |  |            |
| 25. To cash paid John Wilson, clerk<br>of the sales  | 54 00      |  |            |
| 31. To cash remaining on hand, to<br>the credit of the U. States   | 36,985 08  |  |            |
|  | Dolls.     |  | Dolls.     |
|  | 37,398 45½ |  | 37,398 45½ |

BEN. STEPHENSON,  
Receiver of Public Moneys for lands sold in the District of Edwardsville.

DR. *The United States in account current with Ben. Stephenson, Receiver of Public Moneys at Edwardsville.* CR.

| 1819.   |           | 1819.  |           |
|---|-----------|--|-----------|
| To cash paid Wm. P. M'Kee, Sept. 30,<br>for stationery          | 21 00.    | Aug. 31. By balance remaining on hand<br>per last return | 36,985 08 |
| 30. To cash remaining on hand to<br>the credit of the U. States | 49,475 76 | Sept. 30. By cash received for lands sold                | 12,511 68 |
| Dolls.  | 49,496 76 | Dolls.   | 49,496 76 |

**BEN. STEPHENSON,**  
*Receiver of Public Moneys for lands sold in the District of Edwardsville.*

545

Dr.

No. 10.

Cr.

*The United States in account current with Benj. Stephenson, Receiver of Public Moneys, at Edwardsville.*

|   |                     |   |                     |
|---|---------------------|---|---------------------|
| 1819.   |                     | 1819.   |                     |
| October 31. To cash paid R. Graham, Indian Agent, per draft, dated 16th September, 1819 | \$1,000 00          | Sept. 30. By cash remaining on hand, this day   | \$49,474 11         |
| To cash remaining on hand, to the credit of the U. States                               | 53,449 87½          | By amount received from individuals on account of public lands purchased, prior to the 1st of Oct. 1819   | 4,418 35½           |
|   |                     | By amount received from individuals, on account of public lands purchased, or intended to be purchased, from the 1st of October to the 31st October, (inclusive) 1819 | 557 41              |
|   | <b>\$54 449 87½</b> |   | <b>\$54,449 8 ½</b> |

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**BEN. STEPHENSON,**

*Receiver of Public Moneys, for Lands sold in the district of Edwardsville.*

DR. *The United States in account current with Benjamin Stephenson, Receiver of Public Moneys at Edwardsville. Cr.*

|   |                         |  |                         |
|---|-------------------------|--|-------------------------|
| 1819.   |                         | 1819.  |                         |
| Nov. 30. To cash paid H. Warren for printing blank certificates for the Register's office at Edwardsville | 15 00                   | Oct. 31. By cash remaining on hand this day  | 53,449 87 $\frac{1}{2}$ |
| To cash remaining on hand to the credit of the United States  | 56,910 22 $\frac{1}{2}$ | Nov. 30. By amount received from individuals on account of public lands purchased prior to the 1st November, 1819  | 2,881 15                |
|   |                         | By amount received from individuals on account of public lands purchased, or intended to be purchased, from the 17th November to the 31st, 1819, inclusive | 594 20                  |
| Dollars,  | 56 925 22 $\frac{1}{2}$ | Dollars,   | 56,925 22 $\frac{1}{2}$ |

BEN. STEPHENSON,  
*Receiver of Public Moneys for lands sold in the District of Edwardsville.*

## No 12.

DR. *The United States in account current with Benjamin Stephenson, Receiver of Public Moneys at Edwardsville.* CR.

|   |            |  |            |
|---|------------|--|------------|
| 1819.   |            | 1819.  |            |
| Dec. 31. To cash deposited in the Bank<br>of Edwardsville - - - | 52,716 55  | Nov. 30. By cash remaining on hand this<br>day - - -   | 56,910 22½ |
| To cash remaining on hand to<br>the credit of the United States | 9,716 17½  | Dec. 31. By cash received from individ-<br>uals on account of public<br>lands purchased prior to the<br>1st of December, 1819 - - -  | 4,380 02   |
|   |            | By cash received from individ-<br>uals on account of public<br>lands purchased, or intended<br>to be purchased, from the 1st<br>to the 31st December, 1819,<br>inclusive - - - | 1,142 48   |
|   | Dollars,   |  | Dollars,   |
|   | 62,432 72½ |  | 62,432 72½ |

BEN. STEPHENSON,  
*Receiver of Public Moneys for lands sold in the District of Edwardsville.*

Dr. *The United States in account current with Benjamin Stephenson, Receiver of Public Moneys at Edwardsville.* Cr.

| 1820.  |            | 1819.  |            |
|--|------------|--|------------|
| Jan. 31. To cash paid John Ringgold for stationery           | 50 62½     | Dec. 31. By cash remaining on hand this day  | 9,716 17½  |
| To cash deposited in the Bank of Edwardsville                | 2,526 82   | 1820.  |            |
| To cash remaining on hand to the credit of the United States | 10,606 03  | Jan. 31. By amount received from individuals on account of the public lands purchased prior to 1st January, 1820   | 8,403 30   |
|  |            | By amount received from individuals on account of public lands purchased, or intended to be purchased, from the 1st to the 31st January, 1820, inclusive | 64 00      |
| Dollars,   | 13,183 47½ | Dollars,   | 13,183 47½ |

BEN. STEPHENSON,  
*Receiver of Public Moneys for Lands sold in the Land District of Edwardsville.*

## No. 14.

Dr. *The United States in account current with Benjamin Stephenson, Receiver of Public Moneys at Edwardsville.* Cr.

|   |           |  |           |
|---|-----------|--|-----------|
| 1820.   |           | 1820.  |           |
| Feb. 29. To cash deposited in the Bank<br>of Edwardsville - - - | 2,881 00  | Jan. 31. By cash remaining on hand this<br>day - - -   | 10,606 03 |
| To cash remaining on hand to the<br>credit of the United States | 10,796 11 | Feb. 29. By amount received from indi-<br>viduals on account of public<br>lands purchased prior to the<br>first of February, 1820 - - -  | 2,536 26  |
|   |           | By amount received from indi-<br>viduals on account of public<br>lands purchased, or intended<br>to be purchased, from the 1st<br>to the 29th February, 1820,<br>inclusive - - - | 534 82    |
| Dollars,  | 13,677 11 | Dollars,   | 13,677 11 |

**BEN. STEPHENSON,**  
*Receiver of Public Moneys for lands sold in the District of Edwardsville.*

[ 145 ]

No. 15.

*Treasury Department,*

21st December, 1818.

SIR: From the favorable representations that have been made to me, of the character of the Bank of Edwardsville, I have proposed to make that bank a depository of the public moneys, on the usual conditions. In order to prevent any delay in this arrangement, in case the bank accedes to my proposition, you are authorized, on receiving from the Officers of that Institution an authentic copy of its letter of acceptance, addressed to me, (and provided that acceptance is unconditional,) forthwith to make your depositories in that bank, to the credit of the Treasurer. In order to give facility to those who have payments to make for the public lands, you are authorized to receive (in addition to the notes of the Bank of the United States, and its branches, and specie) the notes of all the banks authorized to receive the public money, as enumerated in the enclosed printed list, and also, the notes of the banks in Boston, New York, Philadelphia, Baltimore, and District of Columbia (except the Merchants' Bank of Alexandria) the old banks of Kentucky, and the banks at New Orleans, and the notes of any bank in Ohio that pays specie.

You will understand, however, that if any of the banks should suspend specie payments, you are no longer to receive their notes. You are also requested, that if any circumstances, affecting the character of the bank in which you make your depositories, should come to your knowledge, you will communicate the same to me. You will understand, of course, that, if the proposed arrangement with the Bank of Edwardsville shall take effect, the notes of that bank may be received, on the same terms as others.

I am, &amp;c.

To the undermentioned Receivers of Public Moneys:

BENJAMIN STEPHENSON, Esq.

Receiver of Public Moneys, Edwardsville.

WARREN BROWN, Esq.

Receiver of Public Moneys, Kaskaskia.

A similar letter, in relation to the Illinois Bank, was addressed to

JOHN CALDWELL Esq.

Receiver of Public Moneys, Shawneetown.

No. 16.

*Treasury Department, 20th March, 1819.*

SIR: It being represented to me, by the Secretary of War, that funds are wanted to discharge the annuities stipulated by treaty to be paid in specie, to the Ottawa, Chippewa, and Potawatamie tribes of Indians, I have to request, that you will furnish Richard Graham, Indian Agent, with one thousand dollars in specie, and take his bills for the same, drawn in triplicates, on the Secretary of War, in your favor. The first and second of which bills, after being endorsed by you, to the Treasurer of the United States, must be transmitted by different mails to my office.

I am, &amp;c.

BENJAMIN STEPHENSON, Esq.

Receiver of Public Moneys, Edwardsville, I. T.

No. 17.

*Treasury Department, 9th April, 1819.*

SIR: Being informed by the Secretary of War that Governor Cass has been instructed to authorize the Indian Agents at Chicago, Green Bay, Michilimackinac, Fort Wayne, and Piqua, to draw bills on the War Department, for the amount of their quarterly salaries and contingent expenses for the present year, I have to request that you will pay cash for all bills of that description, drawn in your favor, by any of the aforesaid Indian Agents; provided they shall exhibit to you the authorization of Governor Cass, for drawing the same. The sum which will be required at the close of each quarter, is estimated at about eleven thousand dollars.

The bills are to be endorsed by you to the Treasurer, and transmitted to my office, by different mails, as in other similar cases.

I am, &c.

The Receivers of Public Moneys at Detroit,  
Wooster,  
Edwardsville,  
Vincennes,  
Kaskaskia.

No. 18.

*Receiver's Office, Edwardsville,  
5th May, 1819.*

SIR: I have the honor, herewith, to transmit to you my account current, for the month of May last; also, a duplicate receipts of the Register, for his salary and commission, his salary from the 1st to the 19th of April, inclusive, and his commission from the 1st day of April to the 1st day of May, inclusive. At the expiration of the first mentioned period, Mr. Cole's commission bore date, and at the expiration of the last, he took possession of the books of his office, and entered upon the duties thereof.

I am, very respectfully, sir,

Your obedient servant,

BEN. STEPHENSON.

The Hon. W. H. CRAWFORD,  
Secretary of the Treasury, Washington City.

No. 19.

*Treasury Department, August 6th, 1819.*

SIR: Observing by your monthly return, ending the 30th of June, that there remained in your hands, a considerable sum of the public moneys, I wish to be informed why the same was not deposited in bank, in conformity with the instructions from this Department. Heretofore, when there was no bank in your vicinity, all reasonable allowance was made, on ac-

count of the difficulty to which you were subjected, in making your depositions; but now, that a bank has been established in your place of residence, there can be no longer any excuse whatsoever for retaining public money.

I am, &c.

To the undermentioned Receivers of Public Money:

J. CALDWELL,  
Receiver of Public Moneys, Shawneetown.  
BENJAMIN STEPHENSON,  
Receiver of Public Moneys, Edwardsville.

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No. 20.

*Edwardsville, Illinois, September 18th, 1819.*

SIR: Your letter of the 6th ult. to my husband, having arrived in his absence, I hope its importance will excuse the liberty I take, in stating to you, that Mr. Stephenson left here a few days ago, for Kentucky, to bring home a daughter, that we have had, for a considerable time past, at school in that state.

On his return, I have no doubt he will fully satisfy you, relative to the public money mentioned in your letter. I cannot pretend to have any accurate information upon the subject, but, judging from some fugitive conversations, which I have casually heard, between him and others, I do expect that the reason why he has not deposited more money in the bank, is, that he was directed by you, last spring, to retain in his hands about forty thousand dollars, to be appropriated in quarterly payments, to defray certain Indian expenses.

With great respect, I am, sir,  
Your obedient servant,

LUCY STEPHENSON.

The Hon. WM. H. CRAWFORD,  
Secretary of the Treasury.

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No. 21.

*Treasury Department, 21st Sept. 1819.*

**CIRCULAR TO RECEIVERS OF PUBLIC MONEYS.**

SIR: It is deemed expedient that the form of the monthly account current, rendered by the Receiver of Public Moneys, should be altered so as to distinguish the sums received for lands entered, or intended to be entered during the month, from those received on account of previous entries.

It is also deemed expedient, that those accounts be countersigned by the respective Registers of the land districts.

Intimations have been frequently made to this Department, that the money received in some cases, on account of the Government, has been exchanged for that which was less valuable, which has been subse-

quently deposited to the credit of the Treasurer, in the banks selected as places of deposite. These intimations are, no doubt, generally unfounded, but it is important to the character of the officers, as well as to that of the Government, that the means of repelling them should at all times exist. This can be effected only by describing upon the back of the receipt the kind of money that was received. This will impose additional labor upon the land offices; but, it is so important to possess the means of repelling insinuations against the integrity of the officers of the Government, that it is deemed indispensable. If, during any public sale of land, within your district, it should be found to be impracticable, it may be dispensed with until the sale shall be closed. In no other case must it be omitted. In order that the evidence intended to be obtained by this regulation may be perfect, it will be necessary for you to endorse upon all receipts for money, paid by you, other than to the bank in which you make your depositories, the kinds of money paid away, including your own commissions and salary, and furnish a statement thereof to the Register of the Land Office.

I am, &c.

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No. 22.

*Edwardsville, Illinois, Receiver's Office, 28th October, 1819.*

SIR: I have the honor to acknowledge the receipt of your letter of the 21st ultimo, with the form of an account current.

I have the honor to be, very respectfully,

Sir, your humble servant,

BEN. STEPHENSON.

The Hon. Wm. H. CRAWFORD,  
Secretary of the Treasury.

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No. 23.

TREASURY DEPARTMENT,

*November 1st, 1819.*

SIR: Upon referring to your monthly accounts, it appears that you have retained all the money which has been received by you since the month of August last.

As it is presumed that this has been the result of my letter of the 9th of April last, I request that you will immediately, on the receipt of this letter, deposite, in the Bank of Edwardsville, the whole of the money in your possession on the 30th instant.

You will consider the letter of the 9th of April, as authorizing the purchase of bills, in the manner directed therein, when you have funds,

but not as authorizing the detention of the public money in your hands at the end of each month, for that purpose.

It is presumed that if any draft should be presented, when you have not money in your hands, that there will be no difficulty in having the drafts taken up by the Bank of Edwardsville, on its own account, or to be repaid by you, as soon as you have funds for that purpose.

I am, &c.

BEN. STEPHENSON, Esq.

Receiver of Public Moneys, Edwardsville.

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No. 24.

*Receiver's Office at Edwardsville, Nov. 5, 1819.*

SIR: I have the honor herewith to transmit you my account current for the month of October last; also, R. Graham's draft on the Secretary of War, for one thousand dollars, paid him in specie.

The cash received during the month of August last, was overcharged in the account current for that month, one dollar and sixty-five cents, which you will find corrected.

I have the honor to remain,

Very respectfully, sir,

Your most obedient servant,

BEN. STEPHENSON.

The Hon W. H. CRAWFORD,

Secretary of the Treasury, Washington City.

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No. 25.

*Receiver's Office at Edwardsville, Nov. 16, 1819.*

SIR: Enclosed I have the honor to transmit you R. Graham's draft, drawn on the Secretary of War, for one thousand dollars, being the second of exchange, the first having been transmitted with my last account current.

I am, very respectfully, sir,

Your obedient servant,

BEN. STEPHENSON.

Hon. W. H. CRAWFORD,

Secretary of the Treasury, Washington City.

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No. 26.

*Treasury Department, April 20, 1820.*

SIR: On the 1st of November last, you were instructed by this Department to pay into bank, the whole of the money in your hands,

on the 30th of that month, and not to retain the public money in your hands at the end of each month.

By referring to your monthly returns for the months of December, January, and February, it appears that this instruction has not been complied with; a sum exceeding ten thousand dollars, upon an average, having been retained by you during those months.

As the bank in which your deposites have been directed to be made, is established in the place in which your office is kept, the retention of the money, or any part of it, one day beyond the expiration of the month, is without apparent excuse; you will, therefore, immediately after the receipt of this letter, deposite in bank the whole of the money retained in your hands, and regularly at the end of each month make a like deposite.

In my letter of the 1st of September last, addressed to the Receivers of Public Moneys, the monthly returns of those officers are required to be countersigned by the Register. This regulation has not been complied with in your returns to the latest date. It is expected that all regulations addressed to public officers will be promptly complied with; and that, when, from any circumstance, this should be found impracticable, the cause of non-compliance should be communicated without delay.

I am, &c.

B. STEPHENSON, Esq.

Receiver of Public Moneys, Edwardsville.

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No. 27.

*Receiver's Office, Edwardsville, January\* 1, 1820.*

SIR: I received your letter of the 20th April, and hasten to answer it; in which you state, by referring to my monthly returns for December, January, and February, it appears that a sum exceeding ten thousand dollars, upon an average, has been retained by me during these months. Certainly it would appear so by referring to the account current, but by referring to the balanced account of that quarter, ending 31st December, 1819, there was in my hands, not paid over, three thousand four hundred and eighty-nine dollars and forty-six cents, and on the 31st day of March, the first quarter of 1820, there still remained in my hands, two thousand four hundred and fifty-six dollars and fifty-eight and a half cents. Owing to my having advanced a sum of money to defray the expenses of the Indian Agency at this place, and Government giving me assurance, that as soon as appropriations could be made by Congress, my drafts would be honored, which I have expected some time, and in the mean time I took the liberty to retain about, or nearly, that sum of the public money.

\* The date of this letter is obviously a mistake, as this letter is an answer to the Secretary's letter of 20th April, 1820.

I acknowledge that such a course was not justifiable, and if I had reflected on the subject, I should not have pursued it. In future I hope you will have no reason to complain of my want of punctuality, in regard to any of my public duties. Since the receipt of your letter of the 21st of September last, the absence of the Register, has prevented me from a compliance with your order, with regard to my monthly returns being countersigned by him; he has now returned, and it shall be punctually attended to in future.

I am, with respect, sir,

Your ob't and humble servant,

BEN. STEPHENSON.

The Hon. WM. H. CRAWFORD,  
Secretary of the Treasury.

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No. 28.

*Treasury Department, July 26, 1820.*

SIR: Your letter dated the 1st January, 1820, (meaning probably 1st of June) acknowledging the receipt of mine of the 20th of April last, has been received. The explanation given in it is entirely unsatisfactory. Either your quarterly account, ending with the 31st of March last, or your account current for the month of March to this office, is incorrect. Your returns for the months of April and May do not conform to the description which you give of your quarterly account.

The principal object of the monthly return made to this office, is to inform the Secretary what is the state of the officer's account, without resorting to other officers for that information. The quarterly accounts are also frequently rendered long after they are due, and when rendered, frequently remain a considerable time without examination. To remedy this inconvenience, monthly returns, showing the general state of the Receiver's accounts, have been required. But if they are not substantially correct, if they do not show the state of the accounts by \$ 10,000, they do not answer the purpose for which they are required. You will, therefore, have the goodness to make your next returns show the true state of your accounts, and explain how they have varied from your quarterly returns, and from the truth, as is alleged in your letter.

I am, &c.

B. STEPHENSON, Esq.  
Receiver at Edwardsville.

No. 29.

*Treasury Department, Dec'r 6th, 1820.*

SIR: Upon an inspection of your return for the month of October, I find that it does not correspond with the instructions contained in my letter to you of the 21st of September, 1819, in the following instances, viz: it does not distinguish between the money received for purchases made prior to the month, and the money received for sales made during the month; nor is it countersigned by the Register, as directed.

I am, &amp;c.

B. STEPHENSON, Esq.  
Receiver at Edwardsville.

No. 30.

*Receiver's Office at Kaskaskia, Sept. 18th, 1819.*

SIR: I herewith transmit to your office, my account current with the United States for the month of August.

The Indian agents, whose quarter salaries and contingent expenses you directed me to pay, and to retain money in my hands for that purpose here, none of them as yet called on me for any part of the amount due them. Of the notes which I have reserved for that object, some of them have depreciated in value, or in their currency; they were reserved for them, to wit, those of the State Bank of North Carolina, and of the Bank of Nashville. Perhaps they will not call on me before I can have the benefit of your instructions; I request, therefore, that you will advise me whether I shall insist upon their receiving those notes, or whether I shall retain them on hand and subject to your orders.

I am, very respectfully,  
Sir, your obedient servant,  
W. BROWN.

The Hon. Wm. H. CRAWFORD,  
Secretary of the Treasury, City of Washington.

No. 31.

*Treasury Department, November 1st, 1819.*

SIR: Upon referring to your monthly account, it appears that you have retained all the money which has been received by you since the month of August last. As it is presumed that this has been the result of my letter of the 9th of April last, I request that you will immediately deposite in the Bank of Edwardsville, whatever sums may be in your hands on the 30 inst.

You will consider the letter of the 9th April last, as authority to purchase the bills therein described, if you have funds sufficient for that purpose; but not as authority to retain in your hands, at the end of each month, any part of the public money received in the course of the month.

You will, after the deposite herein directed, make your depositories monthly, in the Bank of Missouri, until otherwise directed.

I am, &c.

To W. BROWN, &c. Kaskaskia.

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\*No. 30.

*February 9th, 1822.*

SIR: I am informed by Col. Johnson, that you have taken his certificate, as to a representation I made to him, at the last session of Congress, in relation to certain notes which had become uncurrent after they had been received by the Bank of Edwardsville, in deposit, from certain Receivers of Public Moneys, &c.

This circumstance, taken in connection with other remarks which I have heard of your having made, induces me to suppose it probable that you may intend to make some use of my name, in the report you are about to make upon that subject. To this I can have no possible objection, provided my conduct in relation to that bank can be fully understood; and, for that purpose, I beg leave, most respectfully, to suggest, that it would be but an act of justice to me, to present my publication of 1819, in which I declared I would be no longer responsible for that, or any other bank in any way whatever. This publication was contained in the St. Louis Enquirer, which I supposed you took at that time. It was also contained in a paper which I forwarded to you myself, and it was enclosed, referred to, and commented upon, in a letter from the President of the Bank to you, which letter, he informed me, had been answered.

Since the fall of 1819, my connection with that bank has entirely ceased, except that I have been, and still am, a stockholder, without, however, ever having borrowed a cent from it. The information I gave Col. Johnson, was upon the faith of statements which I showed to him at the time, and which I supposed he showed to you. They were from the President of the bank, and I have no doubt were literally true. But, even in this part of the business, there must be some misunderstanding, If I have been correctly informed as to the reasons you have assigned for agreeing to take the \$ 20,000 alluded to; for, these reasons, it appears to me, would have equally embraced the remaining \$ 6,000, which Col. Johnson stated you would not agree to receive. The whole amount of paper of that description was about \$ 26,000. I should be perfectly willing to repeat, over and over again, any statements that I have ever made to you, either directly or indirectly, in relation to this business.

The object of this letter is to manifest my disposition or willingness to avoid the necessity, on my part, of calling for any information upon the subject, or of referring to information which you received against the bank, *the opinions you expressed to Col. J.*, and what you authorized him to say to that institution, as appears by his written statement, which I expect shortly to receive.

I have the honor to be,

Very respectfully, sir,

Your most obedient servant,

NINIAN EDWARDS.

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\*No. 31.

WASHINGTON, 12th February, 1822.

SIR: I have had the honor to receive your letter dated the 9th inst. I regret extremely that you should have judged it consistent with your private character or official station to write such a letter.

I trust, however, that, if the report, to which that letter refers, should not furnish an inducement to make the call for information relative to your connection with the Bank of Edwardsville, and to the other subjects, which you have so emphatically underscored, you will, nevertheless, be impelled by other considerations to make the menaced call. I assure you, sir, it will afford me great pleasure to communicate to Congress all the information in the possession of the Department, concerning that Bank, your agency in bringing it into connexion with the Treasury, and the representations which were made against it, whenever it can be done consistently with the respect which is due to my own character, and the station which I occupy.

I remain yours, &c.

W. H. CRAWFORD.

The Hon. NINIAN EDWARDS.

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No. 32.

RECEIVER'S OFFICE, AT KASKASKIA,  
January 10, 1820.

SIR: I herewith transmit to your office my account current with the United States, for the month of December, 1819. I delayed making my deposite in the Bank of Edwardsville, some time, hoping to be able to leave home, and go with it myself; but finding that I should not be able to go myself, before the expiration of the month of December, I hired two trusty persons to whom I entrusted that business,

but they were delayed by adventitious circumstances before starting, and on their way thither, and the deposite was not made until the 3d of January.

I am, very respectfully,  
Sir, your obedient servant,

W. BROWN.

To the Hon. WM. H. CRAWFORD,  
Secretary the Treasury, City of Washington.

—  
\*No. 30.

TREASURER'S OFFICE, *May 3, 1824.*

Respecting the difference between the Treasurer's account, and the Bank of Edwardsville, it is proper to state, 1819, December 31st, the Bank states its balance, \$98,191 59

|   |           |
|---|-----------|
| 1819, December 31, the Treasurer's balance is | 53,191 59 |
|---|-----------|

|             |           |
|-------------|-----------|
| Difference, | 45,000 00 |
|-------------|-----------|

|   |        |
|---|--------|
| 1819, October 28th, a bill, No. 9642, was drawn in favor of Jonathan Smith, for | 30,000 |
| December 28th, a bill, No. 9749, favor of the same for                          | 15,000 |

\$45,000

Both of these bills were outstanding on the 31st December, 1819. The first was paid January 7th, 1820; and the second, March 13th, 1820.

When a bill is drawn on any bank, credit is immediately given on the Treasurer's books for the amount, on the presumption that it will be paid.

Thus, at any given date, there will appear differences which may be reconciled as above.

—  
\*No. 32.

WASHINGTON, *14th, February 1822.*

SIR: I have this moment (15 minutes past 7 o'clock, P. M.) had the honor to receive your letter of the 12th, in answer to mine of the 9th inst.

If there be any thing in mine of such an extraordinary character, as to produce the extreme regret, you express, I trust, some apology at least, may be found for it, in the singular circumstances, which produced it, and to which it in part alluded.

Without the slightest disposition to shrink from any just responsibility, in relation to the Bank of Edwardsville, it was my wish that my conduct in relation to "its connection with the Treasury," should be so understood, as fairly to shew the extent of my responsibility. If, however, I have been erroneously betrayed into the opinion that you intended to use my name, as suggested, *I regret it.* If my letter be liable to the interpretation, you are pleased to give to it, I owe it to myself, *unhesitatingly and promptly*, to disavow any intention of offering personal disrespect to you or the station you occupy.

I must, however, say sir, that, as the information in the Treasury Department, relative to my original recommendation of the Bank of Edwardsville, has for some time past, been distinctly understood, and freely used at this place, I can but consider it somewhat unfortunate for me, that other communications in the Department, which ought to have terminated all responsibility on my part, have not been equally known.

That I was the cause of the depositories, being made there in the first instance, I freely acknowledge; but that I unequivocally declared, I would not be held responsible for that, or any other bank, in any way whatever, after the fail of 1819; that you were notified thereof in due time; that the depositories have not been continued there in consequence of my recommendation since that period; and that the Bank was then in a good situation, I may, I think, according to my present impressions fairly insist upon; and if so, the partial information now in circulation at this place, surely is not calculated to do me the justice, which I hope, I have a right to expect from your magnanimity. It would, therefore, afford me great pleasure, I assure you, sir, that the whole of my conduct in relation to that business, should be so fully known, as to be no longer misunderstood. Considering the use that has been made of the partial information referred to, the remarks alluded to in my letter, the *novelty* of the Secretary of the Treasury's having taken a certificate of what I had said at the last session of Congress, and the time, and peculiar circumstances under which it was done, it surely is not extraordinary, that I should have wished all the circumstances connected with the subject to appear, or that I should have been misled into some erroneous conclusions. If, however, there is any thing in my letter inconsistent with the respect which I justly owe to you, or is due to my own character, I am sorry for it, though I am not now less disposed to do, whatever I may consider necessary for my own justification.

I have the honor to be, very respectfully,  
Sir, your most obedient servant,

NINIAN EDWARDS.

TREASURY DEPARTMENT, June 18, 1818.

SIR: The extent of the sales of the public lands, which are intended to be offered at public auction, during the present and succeeding year, in the Missouri territory, compared with the amount of bills of the United States' Bank, and of the Bank of Missouri, in circulation in that territory, forbids the expectation that the purchasers will be able to make payment in them or in specie. The public interest, therefore, requires, that the bills of other banks, should be received by the Government, in payment of the public lands. You are, therefore, authorized to receive in payment, the bills of the banks, the list whereof is herein enclosed.

You will, at the end of each month, deposite the whole of the money received during the month, in the Bank of Missouri, to the credit of the United States' Bank, for the use of the United States, for which, duplicate receipts will be executed by the Bank. One of the receipts must be transmitted with the monthly account, in which it is credited.

Should the Bank of Missouri refuse to receive as cash, the bills which you are authorized to take, in payment of the public lands, you will make a special deposite of it, and transmit a list of the bills so deposited, to this Department, with your monthly accounts. A strict regard to punctuality in complying with this instruction, is confidently expected. The President calculates upon your zeal in securing to the Government, in the approaching sales, the full benefit of a fair competition among the purchasers; all combinations or associations, intended to repress, or lessen, that competition, should be discountenanced, and if practicable, prevented by the officers of the Government, and especially by the Receiver and Register of the Land Offices.

I am, &c.

THOMAS A. SMITH, Esq.

Receiver of Public Moneys, Howard County.

SAMUEL HAMMOND, Esq.

Receiver of Public Moneys, St. Louis.

*List of the Banks in which the public moneys are to be deposited.*

1st. The Bank of the U. States and its branches.

|                                  |                   |
|----------------------------------|-------------------|
| Bank of the United States,       | Philadelphia.     |
| Office of Discount and Deposite, | Portsmouth, N. H. |
| Do.                              | Boston, Mass.     |
| Do.                              | Providence, R. I. |
| Do.                              | Middletown, Conn. |
| Do.                              | New York, N. Y.   |
| Do.                              | Pittsburg, Pa.    |
| Do.                              | Baltimore, Md.    |
| Do.                              | Washington, D. C. |
| Do.                              | Richmond, Va.     |
| Do.                              | Norfolk, Va.      |

## Office of Discount and Deposite

|     |                     |
|-----|---------------------|
| Do. | Fayetteville, N. C. |
| Do. | Charleston, S. C.   |
| Do. | Savannah, Geo.      |
| Do. | New Orleans, Lou.   |
| Do. | Cincinnati, Ohio.   |
| Do. | Chillicothe, Ohio.  |
| Do. | Lexington, Ky.      |
| Do. | Louisville, Ky.     |

## 2d. Banks employed as Offices of Deposite.

| BANKS.                             | PLACES.                |
|------------------------------------|------------------------|
| Bath Bank,                         | Bath, Me.              |
| Cumberland Bank,                   | Portland, Me.          |
| Cheshire Bank,                     | Keene, N. H.           |
| Merchants' Bank,                   | Salem, Mass.           |
| Newport Bank,                      | Newport, R. I.         |
| Bristol Bank,                      | Bristol, R. I.         |
| New Haven Bank,                    | New Haven, Conn.       |
| New London Bank,                   | New London, Conn.      |
| Bank of Utica,                     | Utica, N. Y.           |
| Mechanics & Farmers' Bank,         | Albany, N. Y.          |
| Trenton Banking Co.                | Trenton, N. J.         |
| Easton Bank,                       | Easton, Pa.            |
| Harrisburg Bank,                   | Harrisburg, Pa.        |
| Centre Bank of Pennsylvania,       | Bellefont, Pa.         |
| Branch Farmers' Bank, of Del.      | Newcastle, Del.        |
| Bank of Alexandria,                | Alexandria, D. C.      |
| Office Dis. & Dep. of Bank of Vir. | Fredericksburg, Vir.   |
| Do.                                | Lynchburg, Vir.        |
| Do.                                | Petersburg, Vir.       |
| State Bank of North Carolina,      | Raleigh, N. C.         |
| Branch of Do.                      | Edenton, N. C.         |
| Do.                                | Salisbury, N. C.       |
| Branch of Cape Fear Bank,          | Wilmington, N. C.      |
| Bank of Augusta,                   | Fayetteville, N. C.    |
| Planters and Merchants' Bank,      | Augusta, Geo.          |
| Bank of State of Tennessee,        | Huntsville, Alab. T.   |
| Nashville Bank,                    | Knoxville, Tenn.       |
| Bank of Vincennes,                 | Nashville, Tenn.       |
| Bank of the Missouri,              | Vincennes, Ind.        |
|                                    | St. Louis, Missouri T. |

In addition to the above, you are at liberty to receive the notes of all the banks in Baltimore, Philadelphia, New York, Boston, and District of Columbia, the Merchants' Bank of Alexandria excepted; the banks of Cincinnati, Chillicothe, Columbus, Marietta, Zanesville, in Ohio, the Bank of Kentucky, and the Banks at New Orleans.

No. 34.

## TREASURY DEPARTMENT,

October 25, 1818.

SIR: Your letter of the 16th inst. has been received by this day's mail. If the sales of the Alabama lands, which were advertised for the third Monday in this month, have not been effected, the amount of public money which is in your hands is known. If they take place, an early communication of the amount received will be necessary to enable me to comply with your wishes.

The doubtful state of the currency in most parts of the country, resulting from the excessive multiplication of banks by the states, render it extremely difficult to discriminate between those that are really solvent, from those that are not so. Until further advised, you will take the notes of no bank except those of the Bank of the United States and its Branches; the State Bank of North Carolina; the Banks of South Carolina and Georgia; the two old Banks of Kentucky and Tennessee; the Banks of the Alabama Territory, and of the states of Mississippi and Louisiana. In the event of either of the banks, just enumerated, ceasing to pay specie on demand, the notes of such banks must not be received.

I am, &amp;c.

JOHN TAYLOR, Esq. Milledgeville, Georgia.

No. 35.

## TREASURY DEPARTMENT,

28th November, 1818.

SIR: The Banks at Cincinnati, in the state of Ohio, having ceased to pay their notes in specie, you will hereafter not receive these notes in payment of dues to the United States. It is reported that some, if not all, the other Banks in that state, have also suspended specie payments; but, although there is reason to apprehend that this may be the case, I am not sufficiently informed of the fact to give you positive directions to refuse their notes. You will observe, however, as a standing instruction, that if, at any time, it shall come to your knowledge, that any Bank, whose notes you are authorized to receive, do not discharge its notes in specie, you will no longer receive them.

I am, &amp;c.

To the undermentioned Receivers of Public Moneys:

JAMES ABBOTT, Esq. Receiver of Public Moneys, Detroit.

THOMAS A. SMITH, Esq. Receiver Public Moneys, Howard Co. Missouri.

SAMUEL HAMMOND, Esq. Receiver Public Moneys, St. Louis.

No. 36.

## TREASURY DEPARTMENT,

4th December, 1818.

SIR: You are authorized, from and after the receipt of this letter, to receive the notes of the Bank of Georgetown, in the state of Kentucky, in all payments due to the United States for lands, at your office. In conformity with the instructions recently given, you will refuse to receive the notes of any Bank contained in the list heretofore transmitted to you, as well as of the Bank of Georgetown, whenever you shall receive information, upon which you can rely, that such Bank has discontinued specie payments.

I am, &amp;c.

To the undermentioned Receivers of Public Moneys:

SAMUEL HAMMOND, Esq. Receiver Public Moneys, St Louis.

THOMAS A. SMITH, Esq. Receiver Public Moneys, Howard Co. Missouri.

No. 37.

## TREASURY DEPARTMENT,

4th January, 1819.

SIR: You will hereafter deposite the public moneys, received by you, in the Tombbecke Bank, at St. Stephen's. Without anticipating any occurrence that can affect the character of that Bank, I have, nevertheless, to request, that, if any such occurrence should come to your knowledge, you will immediately inform me.

I am, &amp;c.

The undermentioned Receivers of Public Moneys:

WM. CRAWFORD, Esq. Receiver Public Moneys, St. Stephen's.

JOHN TAYLOR, Esq. Receiver Public Moneys, Cahaba, A. T.

No. 38.

## TREASURY DEPARTMENT,

12th January, 1819.

SIR: Your letter of the 14th ultimo, has been duly received, and I approve of your conduct in refusing to receive the notes of the banks therein mentioned, in payment of the public lands; and as there is reason to believe, that the other banks in the state of Ohio, have pursued the same course, the prohibition must also be extended to them.

In conformity with your suggestion, you may, until otherwise instructed, consider yourself at liberty to receive the notes of the State

Bank of Georgia, and its branches, and also the notes of the banks of South Carolina, observing, however, as before instructed, that if, at any time, it shall come to your knowledge, that any bank, whose notes you are authorized to take, does not pay them on demand in specie, you will cease to receive them.

I am, &c.

SAMUEL HAMMOND, Esq.

Receiver of Public Moneys, St. Louis.

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No. 39.

**TREASURY DEPARTMENT,**

*29th May, 1819.*

SIR: The City Bank of Baltimore, and the Franklin Bank of Alexandria, D. C. having discontinued to discharge their bills in specie, on demand, you will no longer receive the bills of those banks, in payment of dues to the United States.

I avail myself of this occasion, to repeat the instructions heretofore given, that the paper of any bank, which does not pay its notes in specie on demand, shall not on any account be received on behalf of the United States.

I am, &c.

Circular to the Receivers of Public Moneys.

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No. 40.

**TREASURY DEPARTMENT,**

*7th July, 1819.*

SIR: You will no longer receive the bills of the Mechanics' Bank of Alexandria, D. C. in payment of dues to the United States.

I am, &c.

Circular to the Receivers of Public Moneys.

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No. 41.

*In the House of Representatives of the United States.*

*January 9th, 1822.*

**Resolved**, That the Secretary of the Treasury be directed to lay before this House, a statement, showing in what banks the money, received from the sale of the public lands, have been deposited since the first of January, 1818; the contracts under which said deposits have been made; the correspondence between them and the

Treasury Department relative thereto; the amount of deposite that were to be left in each, in consideration of taking charge of the balance of the money deposited; whether, in any instance, the deposite allowed for that purpose, have been increased, and why such increase was allowed, together with copies of the statements of their situation, furnished to said Department, for the last twelve months preceding such increase; whether any of those banks have failed to comply with their engagements, and to what amount; the statements made by each for the last twelve months preceding its failure; what measures have been taken in consequence thereof, to secure the Government against any losses resulting from such failure; what those measures have been, and at what expense; whether, in any instance, uncurrent or depreciated paper has been received from them, or any of them, which the Government was not bound to receive, by any agreement between such banks and the said Secretary; and whether any further measures are necessary to be adopted, by Congress, to provide for the transmission of the public money from the different Receivers, to a more safe place of deposite, and if so, what place is most advisable.

Attest. THOMAS DOUGHERTY, C. H. R.

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No. 42.

[Confidential.]

*Treasury Department, July 9th, 1819.*

SIR: At the present moment, when banks, in the principal commercial cities, which have been prudently managed, are dividing but little, if any, more than legal interest, when those in the interior of the atlantic states have generally failed, and such of those in the Western States, as have not preceded them in the loss of credit, are justly alarmed with the apprehension of it, the directors of all banks, who intend to preserve their credit and usefulness, are imperiously called upon to act with the utmost circumspection and prudence. All those in the management of which, any departure from the principles which ought to govern banking institutions, has occurred, ought, with promptitude, to review their proceedings, and to introduce such reforms and curtailments as are necessary to secure their stability and usefulness.

Considering the small quantity of specie in the country, which forms the basis of the paper currency, which has become its substitute, and its liability to exportation in the prosecution of the East-India and China Trade, as well as to meet balances which may happen to be due to the commercial states of Europe, whenever the rate of exchange between the United States and those countries, shall furnish inducements, it is difficult to conceive that any bank can be managed with prudence, which extends its discounts more than 50 per cent. beyond its capital actually paid in. During the period of

the existence of the former Bank of the United States, when there was but little bank competition, and when owing to a most fortunate combination of circumstances, the precious metals abounded in this country, more than in any other, that institution extended its discounts but little more than 50 per cent. above its actual capital. The Planters and Merchants' Bank of Huntsville has, however, during the last twelve months, generally discounted to three times the amount of its capital actually paid in. In making it the depository of the public money received at Huntsville, it was expected, that it would avail itself, to a reasonable extent, of the funds deposited in its vaults to the credit of the Treasury, taking care, however, to be always prepared to answer the demands of the Treasury for the whole amount, if emergencies should render it necessary. It would be difficult to define the extent to which it might, with prudence, have extended its discounts upon the public money in its possession. In times favorable to banking operations, it will readily be perceived, that those discounts might be extended much further than at a crisis when banking institutions were generally struggling for existence, a crisis at which the Bank of the United States has not been able to declare a dividend of more than 2½ per cent. and when it is at this moment unable to make any dividend. Under such circumstances, unless favored extremely by locality of position, prudence probably would have dictated the employment of the public money, in the possession of the bank, as a means of guarding against the embarrassments by which other institutions were surrounded, and under which they were daily sinking, instead of considering it a fund upon which it might extend its discounts. Such an employment would be so much the more necessary, if the previous discounts of the bank were composed of what is commonly called accommodation paper.

The common misfortune of most of the banks at this moment, in the commercial cities, and it is presumed to be still more so, of those in the interior, is, that their discounts are generally of that description. When pressed themselves by the return of their notes, or withdrawing of the depositories, they have been unable to contract their discounts, and draw in their debts in a corresponding degree. Embarrassment in their operations, is the necessary consequence of this inability, and the loss of credit too frequently the result. The proposition lately made to the bank, and which has been conditionally accepted, by which a permanent depository is stipulated, removes a part of the charge of imprudence, in preserving the discounts at the point, to which they had been previously, as is believed imprudently extended; yet still, in the existing state of the currency, it appears to me, that prudence requires they should be diminished. It is possible that your local position may be so favorable, as to exempt the bank under your direction, from the emergencies and casualties to which banks in the commercial cities are now, and for the last twelve months have been, subjected. I am not, however, able to discover, that any such advantage exists. On the contrary,

I perceive, that banks in your vicinity, and which have not the power of charging their embarrassments to the Bank of the United States, have recently failed.

It does, therefore, appear to me, that prudence requires you to diminish your discounts, and bring them into that relation with your capital, and the permanent deposite proposed in my arrangement of the 9th of March last, which is considered essential to the security of banks, which are prudently conducted in the commercial cities. It may, indeed, be said, that as Boston is the place where specie has, since the war, borne the highest price, that your distance from that point, affords efficient protection against any serious drain of specie. This may be correct to some extent; but it is presumed, that dangers await banks in the interior, not less embarrassing and dangerous than the immediate drain from the Atlantic banks, occasioned by the East India and China trade.

As an additional inducement to retrenchment, at this time, it is my duty to add, that the whole of the public money in your possession, beyond the permanent deposite, must be transferred to the Bank of the United States, in the course of the ensuing Autumn, in order that it may be applied to the reimbursement of the Mississippi stock. I will thank you, therefore, to adopt the measures necessary to effect that object, with as little delay as possible, and inform me of the time and place, at which it may be most conveniently effected by the bank.

It is not considered expedient to dispense with the regulation to which the Directors have objected. It has been accepted by all the banks to which it has been proposed; and it has been proposed to all those, where permanent deposits have been stipulated. Among them, the oldest bank in the Western states is to be numbered. It is not intended to be used inquisitorially, as to the debtors of the bank. The secrecy which you seem to think essential in the concerns of the bank with its debtors, is one of the vices of the existing bank charters, which has done more to impair the public confidence in those institutions, than any other circumstance connected with them. This secrecy has rendered them instruments in the hands of the officers of the banks, to their individual aggrandizement, at the expense of the interests of the stockholders, and of the community. When this feature shall be obliterated from the charters of banks, and the utmost publicity given to their proceedings, a list of their debtors, with the amount due by each, published in the Gazette annually, confidence will be reposed in banks, as far as the public interest requires it: at present, it is lost.

I remain, &c. &c.

LE ROY POPE, Esq.

President of the Farmers and Merchants' Bank, Huntsville.

## No. 43.

*Washington City, March 11, 1818.*

**DEAR SIR:** I beg leave to call your attention to the editorial remarks in the enclosed paper, upon the subject of the collection of the revenue of the United States, under the "Steubenville" head and to ask for information, whether the arrangement in relation to the kind of money authorized to be received, as complained of, was made by the Government, or the United States Bank; and if by either, whether some alteration may not be allowed, without materially regarding the collection of the revenue, and such other information in relation to the subject, as you may be pleased to communicate?

In making this request, I have the double object in view, of softening that kind of oppression incident to the payment of internal duties, and to preserve the affection of the people for the present administration of the General Government. After perusing the newspaper, I will thank you to send it to me.

I have the honor to be dear sir.

Very respectfully, your obedient servant,  
**SAMUEL HERRICK.**

The Hon. WM. H. CRAWFORD,  
Secretary of the Treasury, Washington City.

## No. 44.

*WASHINGTON, March 31st, 1818.*

**SIR:** I herewith enclose to you a letter which I yesterday received from J. D. Hay, a respectable man at Vincennes, on the subject of a regulation which has been recently adopted by the United States' Branch Bank at Louisville, Kentucky, for the government of the Receiver at Vincennes. I will only remark, that these instructions, if not altered, will operate most prejudicially to the purchasers of the public lands, as well as to the citizens of the state, and I hope that you will use your influence with the United States' Branch Bank, at Louisville, to have them so modified, at least, that the notes of the State Bank of Indiana may be received in payment for public lands.

I have the honor to be, respectfully,  
Your obedient servant,  
**WALLER TAYLOR.**

Hon. WM. H. CRAWFORD.

*VINCENNES, February 24, 1818.*

**DEAR SIR:** Your favor of the 19th ultimo, came duly to hand, by the last mail. We are very thankful to you for your friendly exer-

tions in favor of our State Bank ; and if the proposed arrangement could be made, with the Bank of the United States, it would be highly gratifying to us.

The Receiver of public moneys received instructions, last week, from the Branch of the United States' Bank, at Louisville, directing him to receive no note, in payment of land, but those of the United States' Bank, and its branches, and the notes of the State Bank of Kentucky, and her Branches. This, we think extraordinary, when it is recollectcd that this Bank commenced specie payments on the 20th February, 1817, and conformed to every wish of the Government, at all times, which was not general with the Western Banks.

If these instructions are to be permanent, the people will experience great inconvenience, as it is difficult to obtain the notes of those Banks, without paying high premiums. I have been told, that some have paid 20 per cent. to have their money put into a shape to go into the Land Office. Few entries are making. Some individuals have come a distance to enter land ; have brought the bills of North and South Carolina, Tennessee, New York, Pennsylvania, Virginia, &c. and have had to return without accomplishing the object of their journeys.

I shall be happy to hear from you, frequently.

Very respectfully,

Your obedient servant,

J. D. HAY.

Gen. W. TAYLOR.

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No. 45.

HOUSE OF REPRESENTATIVES,

18th April, 1818.

SIR: Every mail, from the west, brings us the complaints and requests of the people, on the subject of the pecuniary state of our country. The monopolizing and depressing policy of the United States' Bank, and its Branches, in the Western country, have, and are producing a state of things, in that quarter, much to be deprecated. The Branch at Louisville, we are informed, has determined to receive no depositories, except of specie, United States' Bank paper, and Kentucky paper. The instructions of the Treasury Department, restrict the Land Offices of the United States, within the State of Indiana, from receiving payments for land, in any currency which will not be received as specie depositories, in the Branch at Louisville. The law of the present session, it is true, will prevent forfeitures, during its existence ; but, during that time, heavy sums of interest will be accruing against those who have land payments to make ; and the doors of the Offices must be closed against subsequent purchasers.

The emigrant will not be able to purchase, and the general prosperity of the country must be greatly paralyzed.

We would not press or ask a state of things prejudicial to the revenue, or the reception of paper below par, in payment for land; but the par value of the paper currency of Indiana, is not doubted by any. There are but two Banks in the State, and their credit are equal to any in the Western country.

All that we would ask or wish, is, that the Land Offices be permitted to receive such Western paper as they may have an accurate knowledge of, and may know to be in good credit, doing a fair business, and paying specie. This arrangement, we think of vital importance to the State of Indiana, and hope it may be deemed admissible by you.

The most of the above facts, we believe, exist in the State of Ohio also.

We are, sir, very respectfully, &c.

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| JOSEPH DESHA.        | R. C. ANDERSON, JUN. |
| WILLIAM H. HARRISON, | L. BARBER,           |
| ROBERT MOORE,        | THOMAS SPEED,        |
| HENRY BALDWIN,       | JOHN W. CAMPBELL,    |
| WILLIAM HENDRICKS,   | SAMUEL HERRICK,      |
| JAMES NOBLE,         | PETER HITCHCOCK,     |
| WALLER TAYLOR,       | P. BEECHER.          |

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No. 46.

*January 5th, 1819.*

SIR: The people of Illinois, and particularly that portion of them within the district of public lands sold at Shawneetown, are very much alarmed, and I think in great danger of losing their lands, unless there be some change of instructions to the Receiver, authorizing him to take, in payment for lands, the notes of other banks, than those now taken. The only notes now receivable at Shawneetown, for debts due the United States on account of lands, are the notes of the United States Bank and the State Bank of Kentucky; or, if other notes are allowed to be received there, they are the notes of such banks as have no paper circulating in that country. And I am well assured, from my own knowledge, and the letters of respectable gentlemen in that part of the country, that if every note that will be received in payment for land, and every dollar in specie that is in the country, were in the hands of those indebted to the Government for land, that it would be insufficient to enable more than one-tenth man of our settlers to comply with his engagement. I almost daily receive letters from the people of the Shawneetown land district, and of that part of Illinois included in the Vincennes district, stating that they are in a situation truly distressing; and that, unless there be some amelioration in the direction to the Receivers, that the time is but

very short, until they expect to see the little farm and dwelling they have provided for the support and shelter of themselves and family, torn from them by the merciless, avaricious speculator.

I am sorry to be constrained to say, that their apprehensions are but too justly predicated, and that they represent facts. From the best information I have upon the subject, the evil would be in a great degree averted, if the same latitude to receive bank paper were given to the Receivers at Shawneetown and Vincennes, as is given to the Receivers at Kaskaskia and Edwardsville. There they take North Carolina, Georgia, and Tennessee State Bank notes. In the paper of these banks consists, by far, the greatest part of the circulating medium of our country. The receipt of these notes at the other offices is an acknowledgement of their goodness; and it is looked upon as extremely oppressive, by those who owe the Government, that they are obliged to let their farms be forfeited, when they have of this kind of money enough to pay their debt. I hope what relief is possible, and in your power, will not be withheld.

Your most obedient servant,

J. M'LEAN.

