REPORT

FROM

THE SECRETARY OF THE TREASURY,

On the Finances.

September 5, 1837.

Read, and ordered to be printed.

Treasury Department,
September 5, 1837.

In pursuance of the duty of this department to submit to Congress, at each session, the state of the finances; and in conformity with the request of the President, that such other fiscal matters should, on this occasion, be presented, as appear to require early legislation, the undersigned has the honor to offer the following report.

I. CONDITION OF THE TREASURY.

It is not proposed to give all the particulars, relating to the receipts and expenditures, which usually accompany an annual statement. But an exposition of them, under the customary general heads, so far as they have been ascertained, for the first half of the year, is subjoined.

Brief estimates for the other half are made, and such explanations added, as seem necessary to show with clearness not only the condition of the Treasury at this time, but its probable state for the residue of the year.

According to the Treasurer's running account, the whole amount of available money in the Treasury on the 1st of January, 1837, applicable to public purposes, was $42,468,859 97. From that sum, there were on that day reserved $5,000,000; and the balance, being $37,468,859 97, was, under the provisions of the act of June 23, 1836, to be placed in deposite with the States. It is ascertained that $27,063,430 80 of it have since been actually received by them.

The amount of that portion of the first three instalments, the payment of which has not yet been acknowledged, though transfers were seasonably issued for it, is $1,165,575 18. The remainder is $9,367,214 98, and is the sum which was designed for the fourth instalment of deposites with the States on the 1st of October next. The amount reserved in the Treasury on the 1st of January has since been increased, by returns subsequently received from banks, to the sum of $6,670,137 52; and which, of course, could not then be ascertained or taken into computation.

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RECEIPTS.

The receipts in the first half of the year, deposited in the banks, and paid on drafts by collectors and receivers, so far as ascertained, have been:

From customs - - - - - -	$7,234,451
From lands - - - - - -	5,303,731
And from miscellaneous sources - - - -	512,263

To these may be added about $600,000 which remained in the hands of receivers, and $50,000 in those of collectors, subject to draft. All these make the aggregate for that half of the year $13,187,182. If no further postponement be granted on duty bonds, it is estimated that the whole receipts for the last half of the year, from all sources, will be about $9,500,000; which would make them, as ascertained and estimated for the whole year, $22,687,182. But if the brief extension of the present postponement, brought into view hereafter, and favorably regarded, be directed by Congress, the receipts will probably be about $7,000,000; while, by a postponement of the whole to another year, they will not be likely to exceed $4,500,000.

Looking at our whole revenue, therefore, from all quarters, it appears that the balance of money reserved at the commencement of the year, as finally ascertained to be $6,670,137, with the actual receipts for the first half at $13,187,182, and those now anticipated for the last half of it at $7,000,000, will constitute an aggregate of $26,857,319.

EXPENDITURES.

The expenditures during the first half of the year were, for

Civil, miscellaneous, and foreign intercourse - -	$2,812,540 40
Military, including pensions - - - -	10,603,361 49
Naval - - - - - - -	3,297,149 69
Public debt - - - - - -	20,832 75
Making an aggregate of - - - -	$16,733,884 33

The expenditures required to meet existing appropriations, during the last half of the year, will, as computed, equal the sum of $16,000,000; making for the whole year $32,733,884.

Whatever expenditures shall arise within the year, upon new appropriations which Congress may think proper to make, will require a corresponding addition to this amount. But, without them, it will constitute an excess of $5,876,565 of expenditures, over both the receipts and the balance at the commencement of the year; besides not leaving, at the close of it, any thing in the Mint or the Treasury for future uses, or to meet contingencies.

In order, therefore, to discharge that excess, and retain, of the money reserved on the 1st of January, one million, which is the smallest sum deemed proper, under the acts of Congress, for the efficient operations of the Mint, and at least three or four millions more, to answer sudden and contingent calls, there will probably be a necessity to resort to the deposites now with the States, and to the instalment destined for them in October, or to some other resource, for a sum equal to $10,000,000. By a report

of the Treasurer of the 30th ultimo, it appears that the balance in the Treasury, including what was in the custody of banks, the Mint, and collecting officers, was then $14,596,311; that the amount of this, subject to immediate draft, was only $8,928,072; but the whole balance in the Treasury, including all which had been deposited with the States, and ordered to be, though only a small part of the amount is subject to immediate draft, was $41,532,381. Deduct all which has been, and was designed to be, deposited with the States, and there would be no balance left on hand subject to draft, though including every thing in the Mint, and in the possession of receivers and collectors, which is applicable to general purposes.

Hence it is probable, that, besides the deficiency for the expenditures of the year, no sufficient means of any kind will exist on the 1st of October next, after defraying the intervening expenses, to complete the instalment of deposites then payable, unless a large part of the bonds for duties postponed to that day, and amounting to near $4,000,000, and the million and a half then due on the first bond from the United States Bank, shall be punctually paid, or, in the mean time, some provision on this subject made by Congress.

The money standing to the special credit of the Post Office Department and the Patent Office, as well as various trusts, is not included in the above exhibit, for reasons explained in the last annual report. Outstanding and unexpended appropriations at the end of the year will, in this view of our financial condition, be still left charged on the Treasury, amounting to about $16,000,000.

This does not differ much from their amount at the close of the last year. Whether the appropriations unexpended on the 1st of January, 1838, prove, therefore, to be one or two millions larger or smaller than is now anticipated, it must be manifest, from all the above data, that some new legislation is indispensable to complete satisfactorily the service of the year, and leave a suitable amount in the Mint and the Treasury.

Indeed, before submitting the last annual report, the indications of a decrease in the receipts, and of an approaching revulsion in our commercial prosperity, appeared so strong to the undersigned, that he felt compelled, with reluctance and regret, because differing so much from the views of many others, to estimate the accruing receipts for the year at only $24,000,000.

As the appropriations asked for were about $27,000,000, it was then suggested that the occurrence of a deficiency was probable. When those appropriations became in fact enlarged by Congress to more than $32,000,000, it rendered a deficiency inevitable, to the extent now anticipated, unless the receipts should happen greatly to exceed the estimates.

II. ON THE POSTPONEMENT OF THE PAYMENT OF BONDS FOR DUTIES.

The first suggestions which will be submitted concerning such special legislation as appears proper in consequence of the recent embarrassments of the country, relate to the postponement of the payment of bonds for duties.

Early in May last, the collection of the revenue from customs became much obstructed through the severe pecuniary difficulties of the mercantile interest. The Treasury Department felt an anxiety not only to take steps

which might increase the security of the Government for eventual payment, but, in an emergency so great, and to many so unexpected, to furnish all the relief from sacrifices which could judiciously be extended under its limited powers, and in anticipation of what would probably be its straitened condition in a few months.

A postponement of the payment of the bonds falling due was, therefore, and in accordance with the views of the Executive, authorized for periods of from thirty to ninety days, on interest and additional security, and in a manner more liberal than usual, by permitting it before as well as after suit, in all cases of embarrassment, great hardship, or insolvency.

The particular terms, and the reasons for such postponement, are more fully set forth in the documents annexed. (A. Letter from the Secretary of the Treasury to the collector at New York. B. Instructions of the Solicitor of the Treasury.)

When the difficulties in discharging bonds in a legal currency became increased by the suspension of specie payments in some of the principal cities, and the President decided to call a special session of Congress, the postponement was allowed to be extended till after the commencement of the session, in order that an opportunity might be afforded to obtain further relief by new legislation. Urgent requests were made for an indiscriminate delay of payment on all bonds to the 1st of January next, and for the receipt, in discharge of them, of notes issued by banks not paying specie. (See memorials from New York, Boston, and New Orleans, and copies of a reply to one of them, and letter to collector of New York. C, D, E, and F 1 and 2.)

It was not deemed proper to comply with these requests. But as long a delay as our fiscal situation justified, and every relief as to the currency which seemed legal, by the receipt of debenture certificates and Treasury drafts, for duties, were permitted in mitigation of the existing embarrassments.

Having, in this, done all that a sound and liberal exercise of the discretion of the department appeared either to justify or require, no intention exists, nor would it be proper in the present state of the Treasury, to grant any indulgences beyond those already authorized, without the express direction of Congress.

Some further facts which may be useful to aid us members in coming to a correct conclusion on this subject, are, that the amount of bonds which have already been postponed to the 1st of October is about $3,500,000, and by that date will, it is presumed, be increased to $4,000,000.

If Congress permit no longer postponement, the receipts for the year will probably be increased by the indulgences already granted, as they have been allowed, generally, on additional security, and always on interest.

But as suits and delays in collection will still occur, though to a less extent than in the first stages of the pressure, it is expected that no over two-thirds of the amount postponed before the close of this month can be collected during the current year.

The bonds already put in suit since the middle of May amount to nearly $1,000,000. But if Congress extend the postponement till next January, as was originally requested by some of the parties, or for one year, as recently requested by the chamber of commerce of New York, (F 3,) the receipts for the present year will probably be thereby lessened from four to five millions.

Should Congress, however, adopt an intermediate course, as an act not of mere benevolence, but of additional relief, which appears reasonable, under the extraordinary mercantile distresses of the times, and more safe to the Government, in respect to eventual collections, it might sanction a delay not to exceed, altogether, six months beyond the original period of payment, in any particular case. It is computed that this would diminish the receipts, during the present year, about two and a half millions of dollars; but if granted on the usual terms, would increase the receipts, next year, in a greater proportion, by the interest accruing, as well as by the fuller collections which would probably be made in a greater number of cases.

The opinion of the department on these various propositions is, that, considering merely our present financial necessities, no further postponement can be regarded as expedient, though in some other respects, as fully detailed in the recent letter from the chamber of commerce, (F 3,) the last delay mentioned might be found justifiable, and more beneficial. But if a law be passed extending credit on the bonds, it is supposed that, in any correct view of the subject, its provisions need not be continued in force beyond the period when the worst effects of the pressure will be likely to have ceased, and when all imports could, by a further extension of the warehouse system, be advantageously made payable in cash, at the time the goods are wanted for immediate consumption.

The extension of that system is, therefore, respectfully recommended to the consideration of Congress, in connexion with the present subject, as it might introduce as great an improvement in the collection of imposts, as the substitution of cash for credit did in the collection of revenue from the sales of public lands. It would certainly increase the security, ease, and promptitude of the operation; would dispense entirely with the trouble and risk in the payment of debentures; work favorably to the manufacturing interests; and, at the same time, facilitate our trade in foreign articles, as well as exonerate the merchant from many embarrassments in regard to sureties and guaranties.

III. OBSTACLES IN THE WAY OF TRANSFERRING THE LAST INSTALMENT OF DEPOSITES TO THE STATES.

Early legislation has likewise become necessary, either to withhold or postpone, for a reasonable period, the fourth instalment of deposites with the States, or to furnish such aid as may be necessary to complete them in a satisfactory manner.

By the general suspension of specie payments, and the consequent necessity, under the deposite act, to discontinue most of the public depositories, the transfers from the banks in the west and southwest to the seaboard, which were necessary to place much of the money in a position to be conveniently lodged with the States in October, have, in several instances, been defeated. They had, as in case of the former instalments, been ordered seasonably, though, as a general rule, only where rendered proper, in consequence of great accumulation of public funds in an unfavorable situation, on account of the course of trade and exchanges, to be paid directly to the respective States. But, in the troubled condition of the money market, they had not been injuriously hastened as to the time of payment, and, consequently, falling due in the course of the summer and early in autumn, near two-thirds of the whole amount of these

funds still on hand have been detained in the west and southwest, where they had so unusually augmented from the large sales of public lands. Hence, if the last deposite with the States was, in this position of the money, to be attempted, the orders directing it must, in many cases, be made on places remote, and very inconvenient to some of the receiving States, on account of the unfavorable balance of trade, or the rates of exchange; and must be met, if at all, in a currency unacceptable and greatly depreciated. Transfers of portions of the July instalment could not, from the same cause, be effected in the precise mode intended, nor from the banks most desirable, though much of it had reached the appropriate points, to render the operation easy, before the suspension of specie payments. In all cases in which they were not offered to be paid in a currency satisfactory to the States, their agents were requested to return the orders of transfer till Congress could make new and suitable provisions on the subject. (See form of letter and postscript to States, G.)

But this request has not always been complied with. About $1,165,575 of that instalment has not yet been receipted for by the States to the Treasury, nor the orders returned. On the contrary, the United States Bank chartered by the State of Pennsylvania has lately become the purchaser of several of these orders, though not given for any debt, but merely directing a transfer from one public depository to another. This institution has demanded of the banks on which they are drawn that payment should be made to her in specie; and, on their failing to do so, has caused the orders to be protested. Under these circumstances, and, as the deposites with the States were to be made of what was in the Treasury, and consequently in the banks, on the 1st of January last, it is for Congress to decide whether payment shall be made of any of those orders in a mode and currency different from the rest of the third instalment of deposites with the States.

Another reason for withholding or postponing the October deposites, or for some legal provision to aid in completing them, is, that a sum equal to the revenue probably accruing, and a large portion of these deposites, had, before they were payable, been expressly appropriated by Congress to other objects. When looking to the rapid decrease in our receipts, to the expected deficiency in the course of the year, and the great amount of outstanding appropriations which, at the close of it, will be left unpaid, much of that whole instalment seems likely to be needed at an early day. By either of the first two measures, the money could, according to its original destination, be applied to the necessary wants of the General Government, as soon as it can be drawn from the banks in legal funds. In that way, so desirable an object would also be accomplished, without the expense and delay of the money being first paid over to the States, and then subjected to an early recall. On the other hand, several of the States might, in the present posture of their affairs, experience considerable inconvenience, either by not receiving it, or by soon refunding a large portion of its amount; and many of the banks which hold it might be able more satisfactorily to pay it to the States than to the Treasury. But, though the subject is one of much delicacy and difficulty, and peculiarly proper for the final action of Congress, it may be expected that this department should express some opinion as to which course appears most eligible in the present condition of the finances. It is, therefore, with deference suggested, that when regarding their condition and the importance of meeting with efficiency and good faith all the obligations of the Government to the public creditors, it would be most judi-

cious to apply the whole instalment, as fast as it is wanted and can be collected, to the prompt discharge of these obligations; and that the last deposite with the States, not being a debt, but a mere temporary disposal of a surplus, should be postponed until Congress, in some different state of the finances, when such an available surplus may exist, shall see a manifest propriety and ability in completing the deposite, and shall give directions to that effect. Consequently, no further steps will be taken as to the deposite of any part of that instalment till Congress has had an opportunity to act upon the subject in such manner as, in the present posture of affairs, its superior wisdom may consider preferable.

IV. DIFFICULTY IN PAYING THE APPROPRIATIONS, AND ON THE ISSUE OF TREASURY NOTES.

Some further obstacles exist in the way of discharging satisfactorily all the appropriations which have been made by Congress.

The effects which may be produced upon the accruing revenue, by granting or withholding further delays on bonds for duties, have already been explained.

In addition to these, there is a likelihood, in the present pressure, that the payment of cash duties, to the extent of one million of dollars more than usual, will be unavoidably deferred to another year, as the importers under the existing laws are entitled to certain delays, by keeping in store the woollen goods which pay such duties.

This circumstance, in connexion with the difficulty of collecting the bonds, whether longer postponed or not, will sensibly increase the embarrassments which have been specially pointed out, and otherwise exist in paying with promptitude, and in a legal manner, the large appropriations chargeable upon the residue of the current year.

Hence, after a considerable deficiency in the available means became highly probable, it was deemed expedient to adopt any judicious and lawful measure to remedy it, which was within the power of the department. Accordingly, though large quantities of public lands were still in market unsold, and though the receipts from this source during the year would be higher than anticipated, in consequence, among other things, of a construction put on the pre-emption laws, admitting a large class of settlers to entries, it was supposed that some further tracts, in places much desired by the new States, might prudently be offered. A few such have been advertised; but sufficient time, after due notice, has not yet elapsed to realize any thing from them.

If the fourth instalment of the deposites with the States be deferred, and the difficulty in seasonably transferring it be thus removed, yet, being chiefly in the custody of banks not paying specie, it is manifest that it cannot be immediately realized in funds suitable to meet existing appropriations. If it be not deferred, some further provision will be still more indispensable to enable the Treasury not only to place it with the States, but to pay all the public creditors and officers in a satisfactory manner, until the duties now due from the merchants, and the funds now in the discontinued deposite banks, can be collected. It is true, that a resort to the States for refunding portions of the large sums already deposited with them would also remain by law; but under the limitations of the act of June, 1836, it would be very slow in its operation, and, if complied with,

would prove entirely insufficient to answer such an urgent occasion as the present. During the ensuing quarter, the whole amount that could be legally recalled would not exceed six hundred and fifty thousand dollars. Hence it seems expedient, either in aid or exclusion of a requisition on the States, as may be deemed most suitable by Congress, to provide some temporary resource until enough of the fourth instalment, or other means in the Treasury, can be rendered available to discharge all the public engagements. It need not be a loan, or an increase of taxes of any kind; as the General Government, in respect to its finances, whatever temporary embarrassment the recent convulsions in commerce and banking may have created, is far from having any just cause for despondency. It is neither overwhelmed with a national debt, nor destitute of large pecuniary resources on hand; but, entirely free from the former, it is so amply supplied with the latter as to have in the Treasury over forty millions of dollars, and eight or ten millions more in bonds, which will soon become payable. But a large portion being in deposite with the States, and the residue chiefly in banks and the hands of merchants, under the difficulties before named, in procuring promptly, and in a legal currency, the amounts of money which are needed, some collateral aid for a short period, till a sufficiency can be collected, appears to be judicious, if not indispensable.

It is fortunate that the energies of the country, generally, are not paralyzed, nor its prospects clouded by any great physical calamities; and hence its immediate wants can, without doubt, be provided for in various ways.

One mode would be, to authorize the issue of Treasury notes, receivable for all public dues, but without interest. These would differ from the drafts or checks now in use, only as the latter are given for immediate payment, and drawn on persons and banks having public money sufficient to meet them; and, consequently, the holders must be exposed to the trouble and expense of presenting them at the places where payable. Still they are nearly on a par with specie. In the present deranged state of bank paper and exchanges, and in the favorable condition of the General Government, by its ample resources and exemption from pecuniary liabilities, to impart the greatest confidence in respect to the redemption of such notes, it is probable that they would readily be taken at par by most of the public creditors. Especially would this be likely to happen, provided they were issued in denominations as low as twenty, fifty, and one hundred dollars; and not in too large quantities, but used only in anticipation of the accruing revenue on occasional emergencies and to a limited amount.

Contrary to expectation, should the department, during the present delinquency of many of the public debtors, be exposed to such very large calls, and collect so little revenue, as not to be able, by both the above notes and drafts, to meet all its engagements in a satisfactory manner, it would be desirable that the President should possess a contingent authority to cause Treasury notes to be issued, bearing an interest not to exceed six per cent.

Specie could always be raised on these for the public creditor, when he preferred it. But as notes bearing much interest would soon cease to be used in circulation, (and if they should not, would, as a currency, be troublesome in the computation of interest, and too strongly tend to exclude specie from the country,) it might be advisable not to make them receivable, at first, for any public dues, but only to resort to that measure afterwards, when it should be found convenient for redeeming them.

In connexion with the issue of any Treasury notes, it is believed to be wise to make ample provision for their early and final redemption. This could be accomplished by enacting, that when the money on hand in the Treasury and the Mint, available for public purposes, may exceed a given amount of four or five millions, it shall be the duty of the Secretary of the Treasury to cause these notes (securing priority to any on interest) to be redeemed to such an extent as the surplus may exceed that sum, and what will probably be needed to defray current expenses. It being believed that a reduction of the tariff, and suitable regulations concerning the sales of public land, ought at a proper time to be put in force, so as to prevent any large and regular accumulation in the Treasury, the department would respectfully propose, that, in case of any unexpected excess beyond the sums above specified, it should merely be invested, in a temporary manner, in safe State stocks, at their market rate, subject to be sold again whenever the proceeds shall be wanted to discharge existing appropriations.

An additional consideration in favor of these measures is, that since the payment of the public debt, which absorbed any occasional surplus of receipts, it is impossible, according to the views expressed in some previous reports from the undersigned, that, with sources of revenue so fluctuating as ours, and so dependant on commercial prosperity, any fiscal operations should be long continued with ease, vigor, and uniformity, without some such regulator as a power to issue and redeem Treasury notes, or to invest and sell the investment of surpluses. By any other course we shall constantly be exposed to great deficiencies, or excesses, with all their attendant embarrassments. If depositing the excesses with the States, subject to be recalled to supply deficiencies, the pecuniary profit to the whole Union will be no greater, while such a course may involve us in a series of vexatious demands on them, accompanied by various dangers both to them and the General Government; and, in the mean time, it is feared will, in many instances, tend to excite excesses and evils similar to some of those under which the country is now suffering.

V. ON THE SAFE-KEEPING OF THE PUBLIC MONEY HEREAFTER.

The arrangements for keeping the public money, which had been in successful operation for a few years previous to the passage of the deposite act of 1836, became partially embarrassed by carrying into effect some of its provisions. But the enforcement of them all, where not entirely perfected, was in seasonable progress in May last, when the department was compelled by the act to give notice to such of the selected banks as had suspended specie payments that they could no longer be considered as general depositories of the public moneys. (See circular, I.)

A list is annexed of all before employed in that capacity, which have been discontinued. (K.)

After due inquiries to procure other depositories, in conformity to the act, the department has completed the appointment of only one. This, and four more that have not suspended, with one that has resumed specie payments, (making six in all,) constitute the present bank depositories for general purposes. A schedule of them is added. (L.)

During the inability to obtain specie-paying banks at other points, the

Treasurer, being required by the closing part of the 8th section of the act, to keep and disburse the public money according to the laws before in force, has done it in conformity to the very wide discretion which existed when no rules were in force, that had been prescribed by Congress, except to "keep" and "disburse the same" under the general superintendence of the Secretary of the Treasury. A part of it has, therefore, been kept in special deposite in this city, a portion of it in the Mint, and the residue with the officers collecting it, until it was wanted for public purposes, or until it accumulated in such sums at any point as not to be, probably, wanted there for such use. (See two circulars, M and N.) In the first case, it has, from time to time, been applied to the payment of creditors, by drafts on the receivers or collectors; and in the last, the excess has been directed to be temporarily placed with banks not remotely situated, and in special deposite for safety, until wanted for expenditure elsewhere, or until some new legislation shall take place in relation to it.

Under these circumstances, the department would respectfully suggest some provisions which may be more specific, and may be required for the safe-keeping and disbursing of the public moneys.

In the present condition of the Government and the country, two systems are proposed, either of which, it is believed, may be practicable and adequate to the exigencies of the crisis. One is, an enlargement and adaptation of the system partially employed since the suspension of specie payments, so as to make it answer all necessary purposes. This could be effected merely by assigning to our existing officers and establishments some additional duties.

The Treasurer, at the seat of Government; the Mint, with its branch at New Orleans, and another which has been contemplated, and is much needed at New York, for other purposes; collectors of the customs, and receivers of money for the sales of land, as well as postmasters, might all be directed to keep in safety, not only the public money collected by them, but all actually placed in their possession, by transfer or otherwise. As fiscal agents, they might, also, be required to pay over and transfer it for such public purposes as may be authorized by Congress, and under such regulations as the Treasury Department from time to time may prescribe. Indeed, the third section of the post office law of 1825, with the bond taken under it as to the agency of the postmasters, is, perhaps, already sufficiently broad for that class of officers. At points like New York, and a few others, where a likelihood existed that the sums would permanently be large, but which, under a reduced revenue and expenditure, would seldom occur, authority might be given to appoint the clerks now acting as cashiers or tellers under the collectors and receivers, or other more suitable persons, to act as keepers and paymasters of the public money. But they should be made independent of the collectors and receivers, and placed under the like tenure of office, and under suitable bonds. Additional means of safety, and such additional but limited compensation to any of the above officers, might be provided as the increased risk and labor might render just; but in only a few cases would these last be much augmented at any place.

Taking the year 1834 as furnishing a specimen sufficiently large of the probable business in future connected with the general operations of the Treasury Department, but, of course, not including the separate establishment of the post office, the whole number of warrants issued in that year was a little under five thousand; and, though differing much in actual

amount, averaging about $5,000 each. This would be less than twenty warrants a day, and hence would require less than one per day to be paid in each of the twenty-six States. They differed, in fact, from four per day in this District, and two per day in New York, which were the highest numbers, to only one per week in several of the States. (See table P.) The business at each office daily, or even weekly, in making payments of the drafts, would, therefore, be very little. If more than one draft issued on a warrant, the business would be increased in that proportion, unless the whole payments were reduced, as is probable, hereafter, to sixteen or seventeen millions yearly.

In regard to the risk, five millions in the Treasury at any one time, if all placed in the hands of collectors and receivers, would not, on an average, exceed $30,000 with each of the present number.

But if the amount, besides one million in the Mint, was chiefly in the hands of half the present number, which would approach nearer to the probable result, the sum with each would still be less than most of the existing bonds of receivers; and when exceeding theirs, or those of the principal collectors, the excess, in most cases, could be readily prevented, or reduced, by being drawn out to pay creditors, or be conveniently transferred to the Treasurer of the United States, at the seat of Government, or to the Mint and its branches. Until one of the latter is authorized at New York, the substitute before mentioned, of one of the present officers in the customs there as an independent keeper and paymaster of the public money, could be adopted, and, if deemed prudent, be extended to any other similar place.

In this mode, the present number of officers connected with the collection and disbursement of the revenue throughout the United States need not be at all increased. Nor will it become necessary, except in a few cases, to augment their compensation. Twenty or thirty thousand dollars a year would probably cover the whole additional expense of every kind.

The other system to which the attention and consideration of Congress are respectfully invited, is, a new organization, by means of commissioners or receivers general, to gather the collections to more central points, and keep and disburse there a large portion of the public money, or such as could not be kept safely and expended conveniently in the hands of the collecting officers. Such an organization might be at only three or four of the most important points; or it might be made more extensive, and the number enlarged to eight or ten. This could be arranged, in all essential particulars, substantially, in the manner which is now in very successful practice in some of the most enlightened and opulent Governments of Europe, and as was urgently recommended by this department as early as 1790. (See extract O.) The only material difference need be, to pay out more of the money near the places where it is collected, rather than first to transmit most of it to the seat of Government. This organization of fiscal agents would be advantageous as a separate establishment for this business alone, and as an independent check on most of those collecting the revenue. But it would require some addition to the present number of officers, and in the first instance would more increase the public expenses.

But the whole addition of principal officers need not exceed ten. Nor would the increased annual expense to the Government probably amount to over fifty or sixty thousand dollars, as the system would enable both the War and Navy Departments to dispense with several of

their agents for making local disbursements. The danger of any losses will be nearly the same under both plans. It is impossible to conduct the affairs of Government, or the ordinary transactions of society, without trust and risk of some kind. But one great object, wherever pecuniary confidence is reposed, should always be to require the best safeguards which appear reasonable; and in either of these systems, as hereafter explained, the amount trusted can be more easily kept from becoming excessive, and the hazard of losses, affecting the deposite agent by his lending or trading, be fully obviated, by the strict prohibition of both the latter, under severe penalties.

Our direct losses from either collecting or deposite agents have always been comparatively small. Those by the former, it is believed, have not equalled those by the latter, though the latter, being banks, have usually in the end paid most of their deposites. The losses by the former are also supposed not to have exceeded one-fifth of those on the bonds of merchants for duties, and probably not one-eighth of those from the purchasers of public lands, under the credit system.

Occasional and strict examinations of the money on hand, where large in amount, would furnish a strong safeguard beyond the character of the officer, and the property of himself and sureties, and which it might be provided should be made by a committee of Congress, or in any other mode deemed most eligible to constitute an effectual check.

The plans which have been explained as to fiscal agents, are suggested for consideration, under a belief that either is appropriate in the present posture of affairs; that they require but slight changes in our existing laws or usages; and, whatever objections can be adduced against them, will, at the same time, be found to possess many signal advantages.

They will not, so much as some other modes of keeping the public money, expose the Treasury to disappointments and delays, through a dangerous partnership of interest, or the use of that money for private or corporate purposes. As the vicissitudes of trade or speculation affect the persons who borrow from the public banking depositories, the evil consequences must sometimes inevitably reach and embarrass the Treasury itself. Nor, on the other hand, will these modes, like our former one, cause frequent injury to those who, trading on the revenue of the Government, are subject to be most pressed to refund it, when least able. It is believed, likewise, that the funds of the Treasury can be always more readily commanded in a legal currency, and the hopes of its creditors not defeated, nor its faith violated so often, if the money is not loaned out, either in full or in part, but, as in other countries, is retained in specie or its equivalent, and in the actual custody of officers exclusively fiscal. In other countries, the public money is believed to be seldom, if ever, chargeable to the Treasurer, till it is either paid over on some draft, so that he can get credit for the payment, (and which mode is practised somewhat in England, as well as here, and extensively in France,) or lodged, not in deposite in any bank, but in his own possession at the seat of Government. In the former mode, the systems now proposed, and especially the first one, would operate so as to disburse at each point most of the public money collected near, and would thus enable the Treasury to command its resources with less delay; the money not being previously paid over at some distance, and to a separate set of agents, as has usually been the practice here in the use of banks; nor much of it transported

inconveniently to the capital, as has usually been the practice elsewhere. This mode would thus possess one of the greatest excellences in any fiscal system; which is, to pay over quickest to the public creditor, and with the least official complexity, whatever is collected from the public debtor.

Besides these advantages, others would be, that the money in the Treasury, under both of the plans submitted, can always be more easily kept down to moderate dimensions by reductions in the revenue, and by temporary investments of an occasional surplus, as there will be no antagonist interest connected with it, wishing for loans and the use of surpluses, and thus co-operating to prevent a reduction.

The existing establishments and officers, whenever convenient, would be employed without a double machinery or the organization of a new system of agents. Executive control would be diminished rather than increased by them, because any additional officers will be selected, not by the President alone, nor the Treasury Department, as the banks now are, but virtually be designated by Congress, and the principal incumbents appointed by the consent of the Senate. They would also remove all ground for the objection sometimes urged against the former system, that the Executive alone exercises an extensive patronage and great moneyed influence through a host of bank presidents, directors, and stockholders, scattered through every section of the country, and selected without the assent or check of either House of Congress in any particular case, and making loans of the public money from considerations merely political or official. A very wide discretion will be thus restricted, and a prolific source of suspicion and imputation of favoritism and partiality be entirely stopped.

The officers, under the plans proposed, will likewise be amenable exclusively to the General Government, and not be embarrassed, like the officers of the banks, by conflicting duties and interests in respect to the States; nor involved in those collisions, jealousies, and recriminations, often attendant on that position.

The independent and harmonious action of each Government in its appropriate sphere will thus be more fully secured. The local institutions, as a general principle, will be left to the care and uses of the several States which established them, without interference on the part of the General Government, and to be regulated or discontinued, as deemed most useful, under their own State policies, and most conducive to the original purposes of their creation. Nor would any general moneyed corporation, aside from the grave doubts which exist as to both its constitutionality and general expediency, have been likely in such a crisis as that of the war of 1812, or perhaps that of the last spring, to have proved a much safer public depository than those local institutions. Though more convenient in form for fiscal purposes than they, and free from some objections as to want of symmetry and accountability which obtain against them, yet, if chartered on usual principles, and judging from experience here as well as abroad, it must have failed, in a trial like those, to have sustained either our pecuniary operations, or its own, in strict good faith and in due vigor.

Without entering into details to illustrate this position, it is necessary to notice only the single circumstance, that the Bank of England, during a severe war, suspended specie payments near a quarter of a century, and that neither of the two United States Banks existed so as to be obliged to encounter such a peril. But since the last spring, the notes of the second one, to the amount of several millions, have been allowed to sink

into the mass of irredeemable and depreciated paper, though issued under all the high securities and sanctions of a charter from the General Government, and with very large funds, still under the control of officers and trustees deemed by the stockholders exceedingly skilful, and bound by both law and contract to redeem those notes in specie, and on demand.

The systems which have been proposed in this report, if adopted, could not be expected to continue entirely exempt from losses by that unfaithfulness or casualty to which all trusts in human affairs are exposed. But they may be surrounded with strong safeguards, and would very probably soon be enabled to answer in a satisfactory manner every purpose of the Government, in its condition so different in many respects from that which formerly existed, and which was the paramount cause urged for the incorporation of our two former United States Banks. Its finances are not now burdened with a national debt of from seventy to one hundred and thirty millions, and, besides our ordinary expenses, with the annual payment, on account of principal and interest, of from ten to sixteen millions, to be first widely collected, and then transferred and disbursed at only a few points on the seaboard. It is now with a yearly revenue, reduced from thirty and forty millions to near twenty, and probably soon to be only sixteen or seventeen, and with a course of expenditure which can readily be diminished so as not much, if any, to exceed the revenue in a natural state of business. In large sections of our country, and in such a state of business, this expenditure happens nearly and very conveniently to correspond in amount with the receipts in the same sections.

We are, likewise, reposing in peace, with very superior means of communication, whether by mail or personal intercourse, and with a greatly increased and increasing portion of gold in the currency, to render distant transfers and payments more easy. It is manifest, therefore, that our fiscal concerns will be greatly lessened in amount as well as difficulty, unless we shall be visited by wars or other scourges involving us in debts and embarrassments of an aggravated character, and which, fortunately, no sufficient reason appears for anticipating at an early day.

Under the proposed arrangements, the transfers from certain points could be often effected, when required by the department for public purposes, not only with ease, but so as greatly to facilitate the domestic exchanges, in the mode of employing drafts suggested in a subsequent portion of this report. In a more natural and ordinary state of receipts and expenditures, like that in 1834, the transfers required to a great distance would not exceed two or three millions during the year; and almost the whole of them were, at that time, in such a direction as to yield a profit, rather than be expensive to the banks which made them.

If the Treasurer were required to receive payment in advance, at certain convenient points, for all lands sold, as has once been the construction of the act of 1820, the probability is, that very soon all the unfavorable transfers rendered necessary would become quite unimportant in amount, and less expensive than the transportation of specie and paper has been heretofore, from the distant land offices to the nearest deposite banks, before much of it was paid to the public creditors. It will be seen that, by these modes of keeping the public money, it would not be indispensable to employ any banks as a prescribed part of the system, although it might sometimes be convenient to use them as individuals do, and as subordinate fiscal officers often do, in other countries, for the deposite and transfer of large sums, and

particularly for special deposites, when looking merely to safety and an early occasion to use the money.

No act of Congress, until the charter of the last Bank of the United States in 1816, required the public money in the Treasury to be kept on deposite in any bank whatever. The whole subject was left to the discretion of this department. Even that charter permitted the Secretary of the Treasury to remove the deposites from the Bank of the United States, when he thought proper.

In the supplemental report from this department, in 1834, on the keeping and disbursing of the public money, a state of things like the present was adverted to and considered. It was observed, in regard to such an occurrence, that it will then "become necessary to devolve these duties on some receiver or collector already in office, or on some safe agent not now in office, as has been the practice for years in this country in paying pensions at convenient places, near which there was no State bank or branch of the United States Bank, and as has long been the usage in some countries of Europe, by having the revenue in certain districts chiefly received, kept, and transmitted through private agents and brokers."

But it was added, that "though the fiscal operations of the Government could, undoubtedly, still proceed through the personal agencies before mentioned," and without any banks, State or national; yet "it would be at some inconvenience and increase of expense, unless remedied in a manner that may hereafter be developed, and would not, in the opinion of this department, and in the present condition of things, be so eligible a system as the present one; because banks, though exposed to some dangers and evils, and though not believed to be necessary for the fiscal purposes of any Government, and much less of one in the present happy financial situation of ours, are frankly acknowledged to be, in many respects, a class of agents economical, convenient, and useful."

The use of State banks had then been adopted, and was proceeding satisfactorily. For more than two years after, it continued to be in successful operation, so far as regarded both convenience and safety. But now, most of the State banks have ceased to pay specie even for their own notes, and many have paid out, if not issued, small bills, so as not to be in a situation either to be retained or to become fiscal agents, in conformity to the requisitions of the deposite act. A few others, who are in a legal situation to be selected, decline to receive the public money under some of the conditions prescribed by the act.

Nor is any national bank in existence, or, independent of its inexpediency in a political view, supposed to be capable of being established constitutionally. Hence it is respectfully submitted to Congress, under all the above considerations, whether the early adoption of one of the plans proposed is not proper, and would not be highly conducive to the public interests.

VI. SETTLEMENT WITH THE FORMER DEPOSITE BANKS.

Another subject that appears to require the early action of Congress is, the further indulgence which it may be proper to extend to such of the former deposite banks as are still indebted to the United States.

The facts which are supposed to be necessary to aid Congress in forming a correct decision on this subject will be fully submitted. The perils to which

those banks were exposed had caused to the department much solicitude for several months before the suspension of specie payments, and led to some precautionary suggestions which it felt bound to make to them, so far as appeared consistent with the usual principles of banking in this country, and not calculated, by creating sudden alarm, to hasten the catastrophe hat has since happened.

Besides the general cautions with respect to the excesses of bank issues, and the dangerous consequences likely to ensue, which were detailed in the last annual Treasury report, several instances occurred where the course of the business of some of the depositories appearing from their returns to be injudicious, special letters of advice were deemed proper, and were written. A rigid system in requiring additional specie was also pursued in all cases of unusual deficiency. In regard to the effect of these steps on the banks, it affords the undersigned pleasure to add, that, from the completion of their selection after the deposite act passed, to the last returns before their suspension, a great reduction in the circulation, as well as discounts of many of them, had taken place, and, in several cases, a much larger proportion of specie was kept on hand. Indeed, considering the extraordinary amount of public money paid out by them between last November and May, amounting to near twenty millions more than their receipts during the same period, it is a fact highly creditable to their prudence and ability, that the specie of all was reduced only from about fifteen to thirteen millions, and their circulation, instead of increasing, fell from near forty-one to thirty-seven millions.

As a whole, their specie, compared with their circulation, continued to be almost as large in May as in November. It averaged more than one to three, or much more than has been customary with the banks in this country, and was over double the relative quantity held by all the banks in England at the same period, and was in a proportion one-fourth larger than that in the Bank of England itself. Their immediate means, compared with their immediate liabilities, were somewhat stronger in November than in May, but were at both periods nearly 1 to $2\frac{1}{2}$, or greater than the usual ratio, in the best times, of most banks which have a large amount of deposites in possession. (See table Q.)

In this condition of things, the suspension of specie payment by the deposite banks was an event not generally anticipated.

The policy since pursued by most of them has been favorable to an early discharge of their engagements to the Treasury, and to a resumption of specie payments. Many have gradually reduced their discounts and circulation, as well as paid over much of the public deposites. This may be more fully seen in the tables annexed. (Statement of a few heads of condition in November, March, July, May, and August—see Q.) Since the 1st of May, their discounts, as a whole, have been reduced about $20,388,776, their circulation $4,991,791, and their public deposites $15,607,316; while their specie has diminished less than $3,000,000. Of the number of eighty-six banks employed at the time of the suspension, ten or eleven are supposed to have paid over all the public money which was then in their possession, to the credit of the Treasurer. In the custody of more than half the others, an aggregate of less than $700,000 remains unadjusted. Several of the rest still possess large sums; but many of them have continued promptly to furnish such payments from time to time, for meeting the public necessities, that, according to the last weekly statement, the whole balance to his

credit remaining unpaid in all of them, was only $12,418,041. The amount thus retained by each, may be seen in the schedule annexed. (R.)

The course adopted in respect to the deposites of disbursing officers, after the suspension of specie payments, and with a view to safety, as well as to encourage the early resumption of such payments, may be seen more fully in the document annexed. (See circular, S.)

It was considered proper to proceed, and attempt to withdraw all the public money from the discontinued agents, as fast as it was wanted for public purposes, and as new and suitable depositories could be procured to receive any thing obtainable beyond such amount. But while the former agents appeared to be secure, and to be making proper efforts to meet such calls, it seemed more conducive to the eventual safety of the money, and more consistent with true wisdom, as well as the convenience of the Treasury, to refrain from unnecessary prosecutions and costs till the early session of Congress, which had been called, in part, for the consideration of this subject. On the contrary, when any of the banks persisted in neglecting to pursue the prudent course of curtailment, and in making no reasonable efforts to discharge the drafts on them in an acceptable manner, the department considered it a duty, however unpleasant, to deliver their agreements and bonds to the Solicitor of the Treasury for suit. This has already been done in nine cases; in some as a matter of precaution, to obtain additional security beyond what had been given; and in others, to take the preliminary steps for an action against the sureties as well as the principals.

Some of the additional banks, rendered necessary to carry into effect one of the provisions of the late deposite act, have, on this occasion, proved the least prompt and efficient in meeting their obligations. But though the losses of a few may be severe, and considerable delay may arise in discharging their engagements; and though it has been proper, and has evinced a commendable state of moral feeling in many of them, to strike at the root of the present excesses in paper, by curtailing largely both their issues and discounts, and thereby to make serious sacrifices; yet the condition of them all appears to be such as will, with the collateral security taken in most cases, render the United States probably safe against any ultimate loss. Considering the wide-spread pressure of the times, which had involved some of the banks, as well as their debtors, in extraordinary embarrassments; and that the public money, as a general rule, had previously been called from them only in moderate sums, as needed for expenditure and transfer, it was not to be expected that several of them would be able to pay over at once, and in specie, the whole of the large amount then in their possession.

More especially was this not to be expected, when, from the great accumulation of deposites, the specie of all of them at the time of the suspension, as well as for many months before, though larger than the proportion held by most other banks, did not equal, and could not, without making a sudden and great change in the practice under our whole banking system, equal one-half of their indebtedness to the Government alone. It is presumed that a considerable portion of the money since, as well as formerly, paid by the banks on transfers and drafts, has not been demanded nor paid in specie.

But no persons have been required to accept any thing else, nor, according to the views of the undersigned, could they be, without a violation of law and sound policy.

The drafts of the Treasurer for debts, when drawn on banks and not discharged on presentment, have, under instructions from this department, been often taken up in its behalf by the collectors and receivers, in order as much as possible to relieve the public creditor from delay and loss. (See F, and circular instructions, T.) New drafts, when the first ones were not paid in an acceptable manner, have also in some cases been given on other depositories, and have helped to promote satisfactory adjustments.

Since the discontinuance of most of the banks as depositories, this department has also found the use of drafts made directly on receivers and collectors very acceptable to the public creditors; and by the specie fortunately then on hand, and since collected by the receivers, with a part of what was before in the Mint, and some occasionally supplied by a few of the banks and collectors, a large amount of claims has been paid, and the Treasury is ready to pay others, so far as practicable, at points and in a manner convenient to many. But, till the indebted banks resume specie payments, or increased collections can be made in specie of what is due from them and from the merchants, it must be obvious that the department, however anxious to pay all the public creditors and officers in specie, when demanded, is unable to accomplish so desirable an object.

This is one of the evils incident to the existing state of the moneyed concerns of the country, and which cannot be remedied unless Congress furnish additional means, until specie payments are generally resumed. Some intermediate losses, by a depreciation of bank notes, must, therefore, fall on those, whether creditors or officers of the Government, who consent to take them rather than submit to delays in payment.

Hence it seems highly reasonable that the Government should hasten, as fast as possible, the restoration of specie payments, at least by its former fiscal agents who are still in its debt.

This would put an end to such losses. It also seems proper that those deposite banks, which have not generally answered the demands on them, but have continued to receive full interest on the deposites they had loaned out, should be required to pay it on the sums still retained, and from the periods when they failed to fulfil their obligations to the Treasury. It is manifest that the members of Congress, coming from every section of the country, would be the best judges of what further lenity or severity might properly be exercised towards them, and, knowing more intimately the causes and consequences of the suspension of specie payments by the banks in their respective neighborhoods, can decide with greater accuracy whether any indulgence could hereafter be extended to them appropriately, except on the condition of an early resumption of specie payments, and an allowance of interest during any delay in meeting their fiscal engagements. With the means of information possessed by the undersigned, he does not hesitate to express an opinion, that it should not be done without a compliance with such conditions. As further evidence of the ability of most of them on this subject, it will be necessary only to advert to the abstract of their last returns, which has been previously annexed.

From the mode of doing business in the southwest, by making much of their circulation not redeemable at home, but at distant points, and providing for it there by bills of exchange, (so many of which, during the past season, have failed to be paid,) the situation of several of the banks there is least eligible not only for an early resumption of specie payments, but for a speedy and satisfactory adjustment of their debts to the Government. But

in the western, and probably in the eastern and middle States, if not elsewhere, the ability to sustain such payments appears, by their returns, much greater than has been customary in this country. Their specie, compared with their circulation, is as one to two, and one to three; and their immediate means, compared with their immediate liabilities, are over one to three. Hence it has been hoped that the efforts which the banks were bound to make would lead, in most places, to the desirable events above mentioned, without very long delay.—(See circular, V.) The objection usually urged against an early resumption, that the unfavorable balance of trade against this country would, in that event, cause some of the specie in the banks to be drawn out and shipped, will, however true in point of fact, possess much less force when it is considered that the delay hitherto has not prevented the export of specie. On the contrary, considerable sums, which were in ordinary circulation, have, since the suspension, been withdrawn, and a portion of them sent abroad, while their place is badly supplied with depreciated paper. So happily adjusted, however, are the laws of trade, even in their influence on the precious metals, that while our custom-house books show an export since the 15th of May last, chiefly to England and France, of $3,708,320 of specie, they show during the same time imports, chiefly from other quarters, of $3,140,020. Though the actual imports and exports have both doubtless exceeded those amounts since that period, and the ratio of difference has been somewhat greater, yet the total drain has been much less than many have imagined, and produced less effect on the general ability of the country and the banks to have specie payments resumed and successfully sustained. Congress having power to pass a bankrupt law, it would be worthy of consideration, if the power be ever exercised, whether all banks, and in any event, as recommended by Mr. Dallas and Mr. Crawford, all employed by the Treasury, should not be subjected to its provisions, and, on any important and deliberate failure in their pecuniary duties, be compelled at once to close their concerns.

In respect to the banks in the District of Columbia, as well as others connected with the General Government, it seems desirable that the measures adopted in relation to them, by Congress, should have a strong tendency to encourage the earliest resumption of specie payments which is practicable and safe. For this purpose, little doubt can exist, that while those measures will be the most salutary which shall evince a due liberality and forbearance to the extent really required by the crisis, they should, beyond that, be rigorous in exacting the adoption of such steps as are sanctioned by the sound principles of currency and the public faith. They will then help, at an early day, to relieve the community, as well as the Treasury, from a condition of the circulating medium, which, so far as it consists of bank paper irredeemable in specie, is one of the worst scourges which can be inflicted on society. It is no less hostile to the best maxims of political economy, than usually subversive of every just sense of both moral and legal obligation.

VII. ON THE MONEY RECEIVABLE FOR PUBLIC DUES.

The kind of money or currency receivable for public dues, is another embarrassment, concerning which legislation has been deemed proper by many. A change in the existing practice has been requested by others

without legislation. But, since the suspension of specie payments by the banks, no change, which should sanction the receipt of bank paper not redeemable in specie, has been thought either prudent or permissible by this department. Nor will such an one be adopted without the express direction of Congress. (See F 1 and 2.)

Believing that specie is the best standard, and the only one contemplated by the constitution, for the public revenue and expenditures, as well as for the value of contracts and property, every departure from it for those purposes is deemed by the undersigned pernicious, if not unconstitutional. The question as to the expediency of using any other medium for a currency, is of a different character, and more complicated. But the ruinous consequences of a resort to continental money, bills of credit, or any species of paper not redeemable in specie, and which had been developed in our own experience, as well as in the soundest theories of political economy, were undoubtedly a principal cause for those rigid provisions in the constitution connected with the currency. They restrict any State from issuing mere "bills of credit," from making any thing a tender "except gold and silver," or passing any law "impairing the obligation of contracts," as well as confine to Congress, alone, the power "to coin money" and "regulate the value thereof." The exercise of this last power, manifestly relating only to metallic money, appears to require merely the coinage of a sufficient supply at the Mint, and in convenient denominations for all necessary purposes, and of such an intrinsic value, as, while preventing it from being depreciated on the one hand, should, on the other, not be so underrated as to cause it to be too readily exported, or melted down for use in manufactures.

The whole amount necessary for public payments has been much misapprehended. Without a surplus in the Treasury, it would seldom exceed eight or ten millions of dollars, even if no evidences of debt, or any kind of paper money, were receivable. Like a running stream, the coin which flows in as constantly flows out, without much accumulation; one dollar helping to perform, in a single year, the service of payment and repayment numerous times. Indeed, the people of the whole United States do not, in a sound state of business and prices, need over one hundred and ten millions of an active circulating medium for all their currency. This would be a larger proportion of currency to our present population than the average has been from the adoption of the constitution; and, if an exclusive metallic currency could be deemed desirable, would require only about thirty millions more than the specie which is supposed now to exist in the country. But the present quantity of specie being divided pretty equally between the banks and individuals, not half of it is in active circulation; and, unless it becomes increased, and much more equally diffused, some paper is, of course, necessary to prevent a sudden revulsion in prices and values, and to supply a sufficient circulating medium for the legitimate purposes of the States and the people. Some paper will, probably, always be found convenient for commercial operations. It would, therefore, be invidious, if not unauthorized, for the General Government to deprive the States of any supposed advantage in the use of it, so far and so long as they may deem proper, or otherwise to interfere with their course, in relation to it, except to enforce the present constitutional prohibition against issuing any *bills of credit*, or making any thing a tender except *gold and silver*. Care, however, must be employed, incidentally, to avert, as far as

possible, any evil influences which might otherwise be exercised over our own fiscal operations by the different local policies pursued on a subject of so much delicacy, hazard, and difficulty.

The power which Congress may possess to legislate, with a view of furnishing a paper currency of any kind for the ordinary uses of the community, or of regulating, in any way, domestic exchanges, is not entirely clear, nor well defined. Whatever may be its just extent, it seems seldom, if ever, necessary to be used, while the States retain such a wide and undisputed authority over banking; and while the local institutions, as well as private bankers, here no less than abroad, are generally so competent to effect exchanges. Such a power is not expressly conferred in the constitution, nor does it seem to be implied, unless, in the execution of some plain grants, it may become proper to be exerted on any emergency, and without using means otherwise forbidden, unwarrantable, or inexpedient.

In regard to exchanges, it is believed that seldom, if ever, has any Government, however unlimited its authority, considered it wise to prescribe special regulations for effecting them. Such a Government might well feel empowered "to regulate commerce with foreign nations," or between its own States, if it had any; but to regulate exchanges between individuals, would, in most cases, be justly deemed arbitrary. On the contrary, the sound principles of trade seem to require as little interference as possible with fixing the price of commodities, or the mode and medium through which they shall be interchanged. Those principles would only yield adequate protection or security, furnish facilities appropriate and authorized, and establish a good standard of value. Indeed, the balances of indebtedness between different sections of the country, if left to work out their natural consequences on the rate of exchanges, will usually, as they are now doing, correct excesses in business in any quarter, and be self-regulators, far superior to any officious and minute legislation. The rate merely for exchanges can seldom exceed the expense of transporting specie between any two places; and, if surpassing that, the excess must arise from what government has little power to cure—that is, from the difficulty in obtaining money where indebtedness is great, interest high, and credit impaired.

In regard to the currency which is most suitable for public purposes, whatever may be the authority of the General Government to make or adopt a paper one in full or in part, it is difficult to perceive why, after having established specie as a standard, having forbidden any thing else to be made a tender, and having succeeded in encouraging the introduction of a supply of it into the country, very ample for all fiscal purposes, it should expressly dispense with its employment as the most usual medium for those purposes. The fundamental acts of Congress as to the payments for duties and lands have not made any exceptions in its use, or provided any substitutes, except the "evidences of the public debt." Any exceptions allowed ought certainly never to permit any thing, except specie, to be paid out as a rightful tender by the United States; and this principle has been always strictly observed. But by constructions adopted early in this department, and, subsequently, by the charters to the two United States Banks, as well as by an apparent sanction in the joint resolution of 1816, different substitutes of notes issued by those and State banks have, at different times and under different modifications, been permitted to be received in payment. These, however, have been allowed only when regarded as a clear

equivalent to specie, by being readily convertible into it, and by being recommended by some superior convenience or utility, as well as by great security. As specie likewise combines safety, uniformity, general use, sound theory, and almost universal experience in favor of its common employment, the framers of the constitution doubtless believed, as has been the uniform practice since, that all substitutes of paper, as they have less intrinsic value, though they often, by smaller weight or bulk, possess some qualities of greater convenience for certain uses, should never be permitted to be forced on either the Government or the community without their express consent. As they depend also on credit for their worth, it must be bad policy to countenance them for either public or private use, where their credit does not rest on undoubted security, or to encourage such small denominations of them as would be employed by those classes in society whose business is of a kind which cannot be essentially promoted by the substitutes; whose profit is little or nothing derived from them; and whose losses, where depreciations occur, cannot be borne without distress.

Another general objection to every substitute not resting on an equal amount of specie in pledge to redeem it, which was the original idea of a bank of issue, is, that it tends to dispense with the necessity of specie, in connexion with the currency, and thus, by converting more of it into an article of trade, expel it from the country; while a circulating medium is introduced instead of it, which is usually less safe, and often tempts to ruinous expansions in issues as well as business, so as to cause great fluctuations in prices, unsettle the value of property and contracts, and sometimes strip from honest industry, in a moment, the hard earnings of years.

Besides these, a special difficulty, in the use of any other substitute for public purposes, is the procrastination, disappointment, and embarrassment which, in case of its depreciation, are sometimes occasioned by it to great national measures, as well as the discredit thus cast upon the wisdom of the Government, for regulating its fiscal affairs in such a manner as to be unable to discharge punctually its engagements, and for the exhibition of an example so mischievous to both individuals and nations. Another difficulty in this country is the want of equal value, at different places, in any other, when compared with the standard of specie, and the virtual violation which its receipt for duties may thus cause of the spirit of that part of the constitution requiring all imposts to be "uniform." Nor can these two last difficulties be always entirely overcome by the use of such paper, or any other, though redeemed in specie, and on demand, if it be taken at a distance from the place of its redemption. But, in the administration of our fiscal concerns, it has always been very desirable to avoid the want of uniformity, and the delay or expense, and sometimes the loss incident to the receipt for lands or duties of such notes if redeemable at a distance, and which then would sometimes occur before they could be converted into specie, or such money as the public creditor was bound or willing to accept. In order, therefore, to prevent those injurious consequences, one mode has been to accept no State bank notes whatever for public dues, as is now, and sometimes heretofore was, the practice in respect to lands. Another has been, to permit none to be taken except such as, under permission of the Treasury Department, the collecting officers or the public depositories were willing at once to credit as specie.

In our early operations, for purposes of facilitating remittances to the

Treasury, quite as much as for accommodation to others, collectors were instructed to receive certain State bank notes, payable near the seat of Government, and which were to be credited as cash when forwarded by mail, or otherwise, to the Treasurer. (See circular, 1789, H.) The justification offered for this course may be seen in a report from this department in April, 1790, (H 2.) The situation of the country, however, as to ease in communication, facility in exchanges, and the nearer location of many points of collection to those of expenditures, has since undergone such great improvements, as for a long time to have rendered the receipt of notes to aid in public transfers seldom necessary, and almost entirely disused. Another mode adopted by Congress has been, to render the receipts of the notes of State banks, for any purpose less material, by providing those of a bank chartered by the General Government, and making these last, by law, receivable for all public dues. But this mode has ceased; and the legality as well as sound policy of the practice to receive the notes of State banks for any public dues, whether done with a view to fiscal or general convenience, and though under all the strict limitations before mentioned, has been questioned by some. Others have considered any limitation whatever, by either the Executive or this department, as not justifiable since the joint resolution of 1816. It is, therefore, respectfully suggested, that a strong propriety exists for Congress to legislate more explicitly on the whole subject.

It may be proper and useful to add, that, as most of the duties on imposts have been discharged in checks on the bank where the bonds were deposited for collection, or in its own notes, and seldom in those of banks at any distance, little embarrassment has ever arisen concerning the payments for duties in bank notes. But, in taking them for lands, the remote situation of the purchasers, the receivers, and the banks, has generally been such that frequent difficulties and changes in practice have occurred during the period while the United States Bank and its branches, as well as the State banks, were employed as depositories. In our mixed system of a currency, and one so long and so deeply interwoven with the business of the country, it was very inconvenient entirely to avoid, and at the same time occasionally dangerous to permit, taking the bills of any State bank for lands; and the receipt of such notes was obliged to be either so restricted as to prove of little convenience to the community, or a risk was incurred of many partial arrangements being made, and some ultimate injuries sustained by the Treasury.

Under all these circumstances, the course least liable to strong objections appears to be for Congress to prescribe some specific regulations on the whole subject.

This could be effected by directing what alone appears safe, and what is understood to be the practice in both England and France. It is, that the bills of no local banks be taken, which shall not, from the near location of the bank, be equivalent to specie; be able to be converted into specie at very short periods by the receivers and collectors, so as to pay the public creditors legally, if demanding specie; and be thus accounted for at par, and without expense to the Government. Another advantage from this course would be, its salutary check on over-issues by the neighboring banks.

The occasional convenience of a sound paper currency for various purposes, whether national or individual, such as large payments, distant

remittances, exchanges, or travelling, is highly valued by some, and, where gold does not circulate, is often very considerable. But the difficulties in keeping it sound, the hazards and losses incident to its use, and which have already been explained, are troublesome. Should Congress, determine that it is proper to furnish by its own authority, and for the purposes before mentioned, some paper medium, of higher character and other than what now exists, in private bills of exchange or notes of State banks, no doubt exists that any benefits which may occasionally be derived from its employment can be readily secured, without treading on the debatable ground of either the power or the policy of chartering a national bank.

Certificates, not on interest, but payable in specie to bearer or order, as well as being receivable for all public dues, could be authorized to be given in payment to the public creditor, whenever preferred by him, and sufficient specie existed in the Treasury. This kind of paper would be very convenient in form, and would differ little from the drafts now in use on banks, except being drawn on a known specie fund, and expressing on its face not only this, but its being receivable in the first instance for all public dues. It would possess the highest credit attainable in society.

As a practical illustration of their probable utility and convenience, even the drafts, though exposed to several disadvantages which would not exist with the certificates, are near the par of specie, and furnish such facilities for large payments and distant remittances that the amount of them, on both banks and collecting officers, kept out unreturned, has increased within a few months from the usual aggregate of about two millions to nearly four and a half millions.

If the demand for such paper increased, public and private convenience might be promoted, and an equal quantity of specie at the same time preserved in the country, by reserving for this purpose, from any accumulation in the Treasury, a sufficient sum, and by placing it at a few important and convenient points, to render a greater number of certificates redeemable there with the very coin, whose representative they are intended, and honestly ought to be.

All the advantages of these certificates could thus be furnished, by merely paying them out to the public creditor, when more desirable to him than specie. But no loans of them appear advisable, nor any bank incorporation, bank officers, or bank machinery whatever, in connexion with the subject. They would combine the most important requisites appertaining to any paper currency—such as the greatest security, an entire specie basis, and the unity of all issues in one body; while the control over these last, which it is so very desirable to preserve independent, would be placed and regulated by law, so as to prevent any interested or injurious excesses. The whole risk would be the loss by casualty or unfaithfulness of any of the specie that was held to redeem the paper, and which, as well as the expenses, would probably be in part remunerated by the loss of certificates before they are returned. If the residue of the expense should constitute any considerable objection to the system, it could be fully obviated by a moderate and fixed premium for the certificates, either when issued or redeemed.

The common drafts of this department, in their present convenient form, possess another advantage, which would sometimes be imparted to the certificates. When used at places against which the balance of trade exists, but drawn on places in whose favor it is, the former do now, and may

hereafter, not only facilitate essentially the domestic exchanges, but, at the same time, supersede numerous bank transfers, and the more expensive transportation of specie itself.

The Mint certificates, heretofore given on the deposite of bullion and specie, for coinage might easily be made running to bearer or order, and receivable for all public dues; and, in that way, would contribute to the same desirable ends.

The present branches of the Mint, if not numerous enough, nor situated at convenient places for the receipt of specie and bullion for this purpose, might be aided by two or three agencies, instead of more expensive new branches, at points favorable to the interests of the Mint and of the community.

It must be obvious that the paper of any bank will be less safe and useful in being received for public dues, in proportion as it may want such solid securities and foundations as the certificates before described. But if the notes of State banks are made receivable for such dues, under certain limitations like those which have been explained, the other most desirable guaranties for their safety, whether looking to any use of them by the General Government, or to the durable interests of the States themselves, seem to be for the latter, first, to impose on the existing banks, so far as lawful, the checks mentioned in a subsequent part of this communication. They could next authorize very few banks hereafter, except those of mere discount and deposite; and where the power of making paper issues to pass as money is added—a power so sovereign in its character, and so indispensable to be vigilantly guarded, could require a large proportion of specie to the circulation and deposites to be kept on hand, and, in addition, have the faith and security of the State pledged to indemnify the community, as, in the case of the above named certificates, would be pledged those of the General Government. This would greatly increase the caution and watchfulness of all concerned, and could be done by special laws for that purpose, or by allowing no new banks hereafter, except State banks so organized, or by requiring State stocks to be owned by all the banks, and lodged in trust to the extent necessary, with the specie on hand, to secure the immediate redemption of all the bills issued, and all the deposites payable on demand. Another kind of security beyond what now generally exists, would be, never to permit deposites to be received, payable on demand in specie, (a practice so very dangerous to the bill-holders,) except in the case of special deposites kept for a moderate compensation. The only other description of security which is likely to prove in any degree efficient, seems to be of a penal character, either by extending the provisions of a bankrupt law to all banks as before suggested in respect to such as may be fiscal agents, or by allowing all depositors, public or private, and all bill-holders, not only a large interest, but severe prosecutions against the directors after any deliberate omission by banks to discharge their duties in the manner provided in their charters and contracts. The paramount object in all such provisions should, of course, be to guard against abuses, and reform existing evils, though, in some instances, the case may have become so desperate as to require even amputation to save life. Every thing else concerning bank paper is supposed to belong to the wisdom and sound discretion of the several States, as they may prefer, from time to time, to create and employ it. Within the constitutional limitations, and as soon as deemed expedient by any of them, specie alone, or paper,

or a mixed medium of both, as considered preferable by each for its own purposes, can be, if it be not now, established. At the same time, it is hoped and believed that no wish exists in any quarter to prevent, but rather a deep and general anxiety, like that evinced by Congress, the Executive, and this department, for some years past, to encourage the same sound currency for the uses of the people and the States as for the fiscal operations of the General Government.

VIII. SOME GENERAL CAUSES AND REMEDIES OF THE PRESENT EMBARRASSMENTS.

In conclusion, it is the intention of the undersigned not to advert to the chief causes of the recent calamities, except so far as they are connected with our financial condition, and as appears necessary to indicate, briefly, a a few remedies by means of general legislation.

Without doubt, one of those causes was the over-production of cotton, coupled with the large and sudden depreciation in its price.

The whole product, though before so great, had, within three years, been increased probably more than one hundred millions of pounds, so as to exceed in a single year the enormous quantity of five hundred and forty millions of pounds. The fall of price was such, as on that quantity would make a difference in its value of near forty millions of dollars. The occurrence of this fall, however, was at such a period of the year as not much to affect over half the last crop; but the violence of the shock, though thus lessened, still occasioned a loss to an appalling amount. The fall was chiefly consequent from the over-production, and the abrupt withdrawal of foreign credit, combined with some other circumstances which need not now be particularized. The over-production originated partly, like most other excesses here, from an extraordinary extension of credits and of bank issues, and partly from keeping open the sales of public lands to all persons, and at the former low prices, after other articles, including cotton and lands, had suddenly risen much in their nominal value. Under this tempting state of things, those sales were exorbitantly enlarged, till they amounted to over twenty millions of acres in a year, when not more than three or four millions were probably necessary; and not so much had before been requisite, annually, to meet the natural demands for new public lands for raising cotton, and for all other kinds of agricultural employment. But this excess in sales, so unexpected and ruinous, can, it is believed, be averted hereafter, whenever they are likely to go beyond a desirable amount, by passing laws which shall confine them to actual settlers, or increase the price to others. The same measures, with other remedies hereafter suggested for some other existing evils, will help to correct future excesses in the production of the great domestic staple of the Union.

Another of the causes of the present embarrassments was the unprecedented quantity of foreign goods imported. By stimulants to over-trading, such as very extended and often renewed credits abroad, as well as at home, so treacherous in appearances of prosperity, those importations were dangerously swollen to the amount of almost two hundred millions of dollars a year, and thus constituted an excess over our exports of about sixty millions, and involved the country in a foreign debt, merely commercial, whose balance against us, after all proper deductions for freights, profits, and similar considerations, probably exceeded the aggregate of thirty millions of dollars.

That excess, so little anticipated and so indiscreet, the system of credit formerly in use, and better regulated, would have seasonably prevented, by requiring an early adjustment of balances, and, thus turning the foreign exchanges against us, would have stopped many extravagances both in trade and bank issues.

But, stimulated and unrestrained, as before described, it increased the duties some millions beyond what a prudent though prosperous state of trade was likely to produce, and, combined with some other causes, has overwhelmed the mercantile interest with many of those disasters under which it has suffered so severely the past season. From many of these, no just legislation can now afford much relief. Nor could any legislation heretofore have prevented severe revulsions from this source, except by imposing checks on inordinate credit and banking, as well as on sudden and large expansions and contractions in bank issues, and by that further reduction of the tariff, which has been so strenuously urged for two years past to be adopted, whenever our fiscal condition evinced that the whole of the accruing duties were not needed for public purposes. Because the great surplus, forced into the Treasury by the excesses in the sales of land, and in duties on imports, not being seasonably withdrawn, either by equivalent appropriations or further reductions in the current receipts through new laws or by investments, has undoubtedly contributed, through the loan of it while in deposite, to sustain, in some degree, if not produce, the spirit of overtrading. That surplus was often deprecated; and the only sound legal preventives still appear to this department to be, the measures before enumerated for preventing its accumulation. And after it had undesignedly happened, the wisest disposal of it was supposed to be, to expend it, as fast as useful, on proper objects of a public character; and, in the mean time, not to leave it in the deposite banks, but to invest it in State stocks, as a provident fund, to remain both safely and profitably till wanted to aid in meeting current expenditures or extraordinary contingencies.

The undersigned regrets that he was not so fortunate in sustaining his opinions concerning the transient and fluctuating character of the excesses in our revenue, as to have received the concurrence of Congress in relation to those cautionary provisions formerly recommended by him for meeting the revulsions, deficiencies, and contingencies which he supposed incident to them, as well as to our financial system generally. He is, at the same time, aware that the deposite act, so far as it placed a part of the public money with the States for safe keeping, and the Treasury circular issued by the direction of the Executive, as to the kind of money receivable for public lands, were intended, among other things, to obviate a portion of the evils connected with those excesses. Nor does he entertain any doubt that they both contributed, at first, to awaken caution among the more considerate, and to excite strong suspicions, if not convictions, in prudent minds, as to the great extravagancies of credit into which the community had rashly plunged. But after those measures had accomplished these and similar benefits with a portion of the community, though others still felt justified in anticipating a continuance of surpluses and distributions, the subsequent influence of either the act, or the circular, in checking the threatened mischiefs, is believed, in most cases, to have been overrated. The operations of the deposite act, in supplying deficiencies of revenue, by a recall from the States, however well intended, will probably prove very deficient. In some other respects they have, by first requiring to be speedily collected and subdivided

among more numerous banks from ten to fifteen millions of dollars, and then compelling, within the short period of nine months from the 1st of January last, another collection and transfer of nearly forty millions more, and much of it from the merchants, and to places not situated in the usual channels of trade or of large fiscal operations, unquestionably aggravated many of the distresses which had their principal origin in other causes. Those operations necessarily aided to produce the derangement that occurred in the domestic exchanges, and imposed a task on the banks, unprecedented for its amount and difficulty. By converting suddenly into demands for specie very large sums, most of which were before mere credits, they also hastened, if not increased, the loss of confidence in banks that has since so widely impaired their character and usefulness.

Another, and the last general cause of the present embarrassments which will be noticed, as having much connexion with our financial affairs, has been an unnecessary and injudicious increase of bank capital, discounts, and issues. A similar increase, however this may have been influenced by the large temporary deposites of public money made with banks and States, and by the causes before alluded to, has happened in some foreign countries, as well as here, during the same period, from other great commercial and monetary impulses, that are permanently connected with all paper systems not founded entirely upon specie. These impulses have operated in some measure independently of several transient and local causes, whose effects have, by many, been much exaggerated. It is probable that they never can be properly controlled under such a system of expansive credit, while the individual directors of much of that credit have so little separate legislative restraint placed over their conduct, and have private interests at stake, which, in the pursuit of immediate and large profits, must usually possess a strength so superior to that of any sense of general duty to consult the public security.

The amount of circulation, which existed in the early part of the last year, had increased $30,000,000 or $40,000,000 in only three years. It continued to expand for some months afterwards, and in the last annual report was considered likely to prove ruinous to steady prices; to surround with danger every species of sound trade; and not to be susceptible of that reduction to proper dimensions, which was necessary, and soon inevitable, without probably producing some of the wide-spread sufferings which have since happened. The constitutional power of the General Government to check such evils, except as before indicated, and except incidentally, through the kind of money it can and should permit to be employed in its revenues and expenditures, is apprehended to be limited. Through the latter, it may usefully discourage, as of late years has been attempted by Congress as well as the Executive, the dangerous issues of small bills, and, indeed, paper emissions of any kind, which are not "paid on demand in gold or silver coin at the place where issued, and shall not be equivalent to specie at the place where offered, and convertible into gold or silver upon the spot, at the will of the holder, and without delay or loss to him." For the like purpose, it may likewise continue inflexibly to countenance for smaller payments, and in the business of society not particularly commercial, a metallic currency; which is not liable like bank paper to sudden fluctuations and great losses. A further wise step would doubtless be, to refrain to make, by its own acts, any addition to the amount of bank capital, already too great; and to rely on bank paper as little as practicable, when authorized in the improvident manner which has often prevailed, and exhibited

so much feebleness and insecurity, as well as produced so many inconveniences and losses.

It appears to the undersigned that, all beyond this, which can be beneficially accomplished, in connexion with the last cause of the present embarrassments, and without an alteration in the constitution conferring on the General Government direct authority over every kind of banking, must be effected through the State Legislatures, and the commercial habits of the community. Much improvement can, doubtless, be introduced, if the Legislatures will impose those additional regulations, restraints, and securities, which have been before enumerated. Much more will also follow, and substantial relief be afforded to the people at large, if, in addition to the other measures recommended, individuals will exercise the wisdom to place a greater reliance on real capital, active industry, frugality, and well-grounded credit, than on that inflated system which of late has cotemporaneously prevailed to such a ruinous extent, both in this and some other countries.—A system, which has been encouraged by some persons, under the delusive idea that there was no overtrading of any kind, till a revulsion has occurred almost without a parallel, and has given to commerce and credit a blow, whose destructive effects it may require years fully to repair.

All which is respectfully submitted.

LEVI WOODBURY,
Secretary of the Treasury

To the Hon. R. M. JOHNSON,
President of the Senate.

LIST OF DOCUMENTS

Annexed to the report of the Secretary of the Treasury.

A. Letter to the collector at New York, by the Secretary of the Treasury, concerning the postponement of bonds for duties.
B. Instructions from the Solicitor of the Treasury, on the same subject.
C. Memorial from merchants of New York to the President.
D. Memorial from chamber of commerce of Boston to the Secretary of the Treasury.
E. Memorial from the chamber of commerce of New Orleans.
F 1. Reply from Secretary of the Treasury to the chamber of commerce of Boston.
F 2. Letter to collector of New York as to receipt of bank notes.
F 3. Letter from committee of chamber of commerce of New York, requesting extension of a year on payments of duties.
G. Letter accompanying the transfer drafts to the States, with the postscript as to the return of the transfers in case of non-payment by the banks.
H 1. Circular letter from Treasury Department as to the receipt and transmission, by mail, of bank notes in 1789.
H 2. Extract from report of April 22, 1790, upon the collection law.
I. First circular to the deposite banks, discontinuing those which had ceased to pay specie for their notes.
K. List of those thus discontinued.
L. List of present deposite banks under the deposite act.
M 1. First circular to collectors, directing them not to place money in general deposite in banks which have stopped specie payment.
M 2. Circular to receivers of public money on the same subject.
N. Second circular directing them to deposite specially, when they have on hand above a certain amount.
O. Extract from Treasury report in 1790, as to a new class of officers to keep and transfer the public money.
P. Table of Treasury warrants payable in each State in 1834.
Q. Comparative condition of deposite banks in certain particulars in November, 1836, and in March, May, July, and August, 1837.
R. State of the accounts of the former and present deposite banks with the Treasurer of the United States.
S. Circular as to deposites by disbursing officers, by order of the President.
T. Circular instructions to collectors and receivers, to accept Treasury drafts in certain cases.
U. Condition of each of the former and present deposite banks by their last returns.
V. Last circular to banks, on the subject of resuming specie payments.

A.

TREASURY DEPARTMENT,
May 8, 1837.

SIR: I have been directed by the President of the United States to communicate to you the views of this department in relation to the request recently made to him by a committee appointed at a respectable meeting held in the city of New York. The request was, that "instructions may be given to prevent the commencing of suits in any of the collection districts upon unpaid bonds, until after the 1st day of January next."

With every disposition on the part of the President and this department to gratify any wishes of the mercantile portion of the community, and with a deep solicitude to alleviate, as far as possible, the pressure which exists in their pecuniary affairs, it is to be regretted that instructions cannot be given for so protracted a delay, and in so general a manner, without a departure from long established usage, and great inconvenience to both the merchants and the Treasury.

By the act of Congress of the 2d March, 1799, it is provided that "where any bond for the payment of duties shall not be satisfied on the day it may become due, the collector shall forthwith, and without delay, cause a prosecution to be commenced for the recovery of the money thereon, by action or suit at law."

No authority or discretionary power is intrusted expressly to the President or this department to dispense with this imperative direction, given by Congress to the collectors of the customs. The general practice has been opposed to the existence or exercise of any legal authority, except in Congress, to grant delay in the payment of such bonds, until after an action is instituted or judgment is confessed. After a suit has been brought, the collector's duty has been considered as fulfilled; and this department, through its proper agents, has in such cases, and in that stage of the proceedings, deemed it lawful to direct some delay to be granted by the district attorney on certain terms.

No statute forbids such a course, and if a payment in part is then made, or additional security furnished in cases where great hardship, embarrassment, or insolvency is shown to exist, and the application is made in consequence of some of those circumstances, indulgence has frequently been given.

But the power of permitting some indulgence before an action is commenced is supposed by the Attorney General and the Solicitor of the Treasury to belong to the latter officer, under the act of Congress of 29th May, 1830; and in times and cases like the present, when the most favorable construction which is legal should be followed, this department is disposed, in conformity with the advice and opinion of these law officers, to sanction a delay by him under like circumstances, and to a like extent, before suit as afterwards. Upon the occurrence, therefore, of cases of the character previously described, whether before suit or after, and whether at your port or elsewhere, similar indulgences on similar terms could, and undoubtedly would, be allowed with pleasure, on seasonable application in each case, and the extent of the delay being regulated by the facts of each case, and the existing and probable wants of the Treasury at the time it shall be presented.

But should applications of this kind become numerous, and extend to several bonds very large in amount, difficulties, unfortunately, would arise, under the existing laws and present state of the Treasury, not only to the parties, but to the public, in postponing payment for any considerable period. In the first place, all parties and sureties upon bonds unpaid after due are expressly disabled by the 62d section of the act before referred to from having credit upon any other duty bonds. The language is, "No person whose bond has been received, either as principal or surety, for the payment of duties, or for whom any bond has been given by an agent, factor, or other person, in pursuance of the provisions herein contained, and which bond may be due and unsatisfied, shall be allowed a future credit for duties until such bond be fully paid or discharged." In the next place, the condition of the Treasury during the remainder of the year will probably be such, whether looking to the estimates submitted by this department to Congress at the commencement of its session in December last, or to the actual state of things at this time, as to create serious inconvenience and embarrassment to the public interests in meeting the public engagements, should the payment of all the duty bonds outstanding in the United States, and amounting to several millions of dollars, be postponed in their collection, either before or after suit, until the time requested by the committee.

This will be very manifest from the following data: The aggregate receipts into the Treasury during the year 1837 having been estimated in the last annual report at $24,000,000, and the appropriations asked for by the respective departments, with the usual anticipated contingent, having amounted to about $27,000,000, it was then suggested that this would require the expenditure not only of all the estimated accruing receipts, but near three millions of the five reserved on the 1st of January, 1837, for distribution among the States. Congress, however, in the course of the session, appropriated not only those three millions of excess, but over five millions in addition; making an aggregate of more than thirty-two millions: and by this means a charge was imposed on the Treasury to the extent of eight or nine millions beyond the estimated receipts during the year.

The expectation of a recurrence of an extraordinary excess of revenue during the present year, which may have been contemplated by some, and have formed the ground on which so large appropriations were made, was never entertained by this department; nor does any such expectation, judging from the receipts of the first quarter, and the first month of the second quarter of the present year, seem likely to be verified. On the contrary, assuming the hypothesis that a similar amount of unexpended appropriations will remain at the close of the present year as did at the close of the last, (though in ordinary times they are generally reduced eight millions lower, and, should they become so, would increase the deficiency to that extent,) the postponement of the payment of any considerable amount of bonds to the 1st of January next would make a deficiency in the means of the Treasury highly probable. To postpone the payment of the many millions falling due at all the ports in the United States, would render this deficiency inevitable.

Comparing the present condition of the country with a former period of similar revulsion in trade, when, in 1819, from causes somewhat analogous, the mercantile interests were exposed to a pressure so very general and severe, the likelihood seems equally strong in favor of a rapid reduction in the revenue.

The foregoing remarks will explain some of the practical difficulties to be encountered in meeting the wishes expressed by the committee for the long postponement of the payment of duty bonds, whether granted before or after suit, and whether in view of the consequences to the merchants or to the Treasury and the public. But indulgence for thirty, sixty, and ninety days, not extending beyond the 1st of September, or about the time for arranging the payment of the last instalment of deposite with the States, could doubtless be granted in special cases, under the customary terms and circumstances as before explained, should any parties desire it. But what forbearance the situation of the Treasury may justify in this respect, at any future day, cannot now be foreseen with much accuracy. The payment, within so short a period as nine months, of such a vast amount to the States as near thirty-eight millions, and which is mostly to be collected through the deposite banks from the mercantile portion of the country, increases the pressure from other causes on both the banks and the community, and creates a prospect that the revenue accruing for the rest of the year will much decline, and will generally be, as has been the case in April, less than the current expenditures.

Hence the amount in the Treasury at this time being only about six millions more than is required to be paid to the States, the progress of events may compel a recourse to such other measures as the existing laws authorize for meeting one of those great crises or fluctuations in trade, by which, as well as by other contingencies, our present sources of revenue, from their intimate dependance upon them, are so suddenly and so largely influenced, and for which it has been the anxious wish of this department for two years past that Congress would effectually provide.

How far the powers of the department, under the deposite and other acts, are now adequate to this end, need not be considered until a necessity to resort to them shall become imperative. But, at all events, it is manifest that the present, as well as probably the future condition of the Treasury, must be so doubtful, if not straitened, as to prevent it from affording so much incidental or direct aid to the mercantile interest, either individually or through the deposite banks, as it would be highly gratifying to this department to be able to extend. More especially would it be gratified to do this, while their interests are suffering under the present severe pressure—a pressure regretted by me as deeply as by any one, and the near and probable approach, as well as principal causes of which, according to my views of the subject, I felt compelled, from a sense of public duty, however disagreeable the task, to point out in detail in the last annual report, so fully as to render a repetition of them on this occasion unnecessary as well as painful.

This department cannot close the present communication without requesting you to assure the individuals connected with the great commerce of your port of the deep sympathy felt here on account of its embarrassments; of the willingness cherished at this time, as on former occasions, to extend to it every species of relief and indulgence in the power of the Treasury, consistent with the laws and the public duties intrusted to its charge; and of the entire conviction entertained, that the high moral character and honorable feelings of the merchants will not only carry them through the trials of adverse fortune with their usual scrupulous respect for the laws and the constituted authorities of their country, but, by the aid of their accustomed energy, enterprise, and indefatigable industry, will ere long re-

lieve them from most of the sufferings occasioned by those disasters which have occurred so unexpectedly to some and so injuriously to many.

Respectfully, yours, &c.

LEVI WOODBURY,
Secretary of the Treasury.

SAMUEL SWARTWOUT, Esq.,
Collector of New York.

P. S. You are requested to give immediate publicity to the above communication.

B.

[CIRCULAR.]

From the Solicitor of the Treasury to the United States attorneys.

OFFICE OF THE SOLICITOR OF THE TREASURY,
May 15, 1837.

SIR: You will perceive by the letter of the Secretary of the Treasury to the collector of the port of New York, under date of the 8th instant, that the Treasury Department, desiring, in concurrence with the views of the President, to give all the relief to the mercantile community, under its present state of general embarrassment, which is authorized by law, and permitted by official obligation, has determined, in certain cases, to suspend for a short time the collection of duty bonds.

The 5th section of the act of May 29, 1830, entitled "An act to provide for the appointment of a Solicitor of the Treasury," gives power to that officer "to instruct district attorneys in all matters and proceedings appertaining to suits in which the United States is a party or interested." This power has often, on application to this office, in cases of great hardship, embarrassment, or insolvency, been exercised, to give time for payment, *after the institution of suit*, on condition of further security being furnished to the satisfaction of the district attorney. A temporary indulgence on this, or other conditions, has frequently made ultimate payment secure, when a rigorous enforcement of the law would have resulted in the ruin of the debtor and loss of the debt. But indulgence has never heretofore, (except on occasion of the great fire in New York, when Congress was in session, and had the subject of relief under consideration,) been extended *before suit commenced;* but, under the opinion of this office, with the sanction of the Attorney General, the collector of New York has been informed by the Secretary of the Treasury that the power exists to grant delay *before suit*, and will now be extended in appropriate cases.

The present general embarrassment of the money concerns of the commercial cities has also been deemed by the President and Secretary of the Treasury a suitable occasion for an extraordinary exercise of the power of instruction to district attorneys, vested in this office by the act of Congress above mentioned, by giving it beforehand, and leaving to them its special application on the general terms and principles laid down by this office. I have, therefore, as the applications for relief will probably be numerous, thought proper to point out for your government the terms and conditions on which, in the exercise of a sound discretion, after obtaining in each case all the information in your power, you may postpone the institution of suit.

1st. You will require that the assent of sureties, in writing, to the indulgence desired, be filed in your office.

2dly. The 65th section of the general collection law of March 2, 1799, entitled "An act to regulate the collection of duties on imports and tonnage," provides that "on all bonds, upon which suits shall be commenced, an interest shall be allowed, at the rate of six per cent. per annum, from the time when said bonds become due until the payment thereof." You will require, therefore, the agreement of all the parties to bonds on which suits shall be postponed, to pay the same interest as if suit were instituted.

3dly. You will in no case, without further orders, grant a suspension of suit beyond the 1st day of October next; before which period Congress will have an opportunity of making such provisions as they may think proper.

4thly. You will, in all cases, request additional security. If this cannot be given, you will require a judgment by confession, as a condition of such stay of execution, as you may deem expedient and proper, not to extend beyond the time above allowed for the suspension of suit.

5thly. It must be a condition, in all cases, that a forfeiture of all the benefits of the indulgence granted shall be incurred, whenever any one of the terms of that indulgence shall not have been complied with.

It is not intended by the third regulation that the postponement of suit should, in all cases, be made until the 1st October next. On the contrary, you will take care that, in the exercise of the discretion respecting postponement of payment and suit, conferred on you by this letter, that no indulgence be granted, where the parties, in your judgment, are able to pay without serious sacrifices. It is, moreover, highly desirable, where the parties have it in their power to make it, to obtain payment in part, and to stipulate for the residue in instalments of thirty, sixty, or ninety days; or, if no part can be obtained in cash, then the whole amount to be paid in instalments of thirty, sixty, and ninety days. More especially should this be required where no additional security is given.

It is desirable, for the convenience of parties applying for indulgence, that they should, in proper cases, obtain it without the delay, trouble, and expense of applying to this office. It is, moreover, obvious that the Solicitor of the Treasury, acting through the district attorneys, who reside in the same place with the applicants, and have a personal acquaintance with them, and a knowledge of their character and circumstances, may exercise the power for their relief, incident to his office, more judiciously than in person at Washington. The requisite authority, and the general regulations for its exercise, are, therefore, given you by this letter of instructions. But, although it is highly desirable and expedient that cases of relief should be acted on and decided at once in the places where they originate; yet, important cases, not coming within those regulations, or the circumstances of which, from their peculiarity, shall, in your judgment, require it, may be referred to this office, with a detailed report of all the facts and information affecting them, possessed by you, or which you can collect.

You will, as heretofore, make your regular report of bonds, transmitted to you by the collector of the customs for suit, as prescribed in the first regulation for the observance of district attorneys, in my circular of the 27th July, 1830; and under the head of "remarks," if a suspension of suit be granted, you will state the circumstances and conditions of the suspension, and the nature and amount of the security given, the evidences of which you will retain in your possession.

In case of application for indulgence being made before the bonds become due, you may make use of the same forms of return as in case of suit, leaving such heads *blank* as are not applicable, and making the report immediately after the suspension of suit is granted. Should any of the conditions on which indulgence has been granted not be fulfilled, you will immediately, without further instructions, institute such legal proceedings as the case may call for, and make report thereof to this office.

I am, very respectfully, sir,
Your most obedient servant,
V. MAXCY,
Solicitor of the Treasury.

To ———, Esq.
United States attorney for the district of——.

C.

To MARTIN VAN BUREN,
President of the United States:

SIR: We have the honor of informing you that a very numerous meeting of the merchants of New York was held on the 25th of April, for the purpose of considering the present distressed condition of the city, and deliberating upon the means of relief. It was called by more than three hundred firms, and was attended by a large proportion of those merchants who are connected with the internal trade of the country, and who have an especial and direct interest in the state of domestic exchanges.

A committee was appointed to repair to Washington, and remonstrate with the Executive against the continuance of the specie circular, and to urge its immediate repeal; also, to ask that instructions may be given to prevent the commencing of suits, in any of the collection districts, upon unpaid bonds, until after the 1st day of January next, and to urge upon the Executive the propriety of calling an extra session of Congress at as early a day as possible.

In obedience, sir, to these instructions, we present ourselves before you, and ask your deep and solemn attention to the unhappy condition of that city which has hitherto been the promoter and the index of our national prosperity, and whose fall will include the ruin of thousands in every region of our territory. We do not tell a fictitious tale of wo, we have no selfish or partisan views to sustain, when we assure you that the noble city which we represent lies prostrate in despair, its credit blighted, its industry paralyzed, and without a hope beaming through the darkness of the future, unless the Government of our country can be induced to relinquish the measures to which we attribute our distress. We fully appreciate the respect which is due to our Chief Magistrate, and disclaim every intention inconsistent with that feeling; but we speak in behalf of a community which trembles upon the brink of ruin, which deems itself an adequate judge of all questions connected with the trade and currency of the country, and believes that the policy adopted by the recent administration, and sustained by the present, is founded in error, and threatens the destruction of every department of industry.

Our merchants, manufacturers, and mechanics have repeatedly predicted the fatal issue of that policy. "What was prophecy, has now become history;" and the reality far exceeds our most gloomy anticipations. Under a deep impression of the propriety of confining our declarations within moderate limits, we affirm that the value of our real estate has, within the last six months, depreciated more than forty millions; that, within the last two months, there have been more than two hundred and fifty failures of houses engaged in extensive business; that, within the same period, a decline of twenty millions of dollars has occurred in our local stocks, including those rail-road and canal incorporations which, though chartered in other States, depend upon New York for the sale; that the immense amount of merchandise in our warehouses has, within the same period, fallen in value at least thirty per cent.; that, within a few weeks, not less than twenty thousand individuals, depending upon their daily labor for their daily bread, have been discharged by their employers, because the means of retaining them were exhausted; and that a complete blight has fallen upon a community heretofore so active, enterprising, and prosperous. The error of our rulers has produced a wider desolation than the pestilence which depopulated our streets, or the conflagration which laid them in ashes.

We believe that it is unjust to attribute these evils to any excessive development of mercantile enterprise, and that they really flow from that unwise system which aimed at the substitution of a metallic for a paper currency—the system which gave the first shock to the fabric of our commercial prosperity, by removing the public deposites from the United States Bank, which weakened every part of the edifice by the destruction of that useful and efficient institution, and now threatens to crumble it into a mass of ruins, under the operations of the specie circular, which withdrew the gold and silver of the country from the channels in which it could be profitably employed. We assert that the experiment has had a fair, a liberal trial, and that disappointment and mischief are visible in all its results; that the promise of a regulated currency and equalized exchanges has been broken, the currency totally disordered, and internal exchanges almost entirely discontinued. We therefore make our earnest appeal to the Executive, and ask whether it is not time to interpose the paternal authority of the Government, and abandon the policy which is beggaring the people.

Amid all the distress of our condition, we have been gratified by a view of the generous and forbearing spirit which has almost invariably marked the conduct of the creditor towards the debtor. A general disposition has been manifested to indulge the debtor with ample time for the arrangement of his business and collection of his debts; and we would respectfully suggest the example for the imitation of the Government. The embarrassment and distress of the merchants would be more readily relieved by the suspending of suits upon unpaid bonds until a future day, when the wisdom of Congress may grant some measure of relief.

Feeling, as we do, that we have reached a crisis which requires the exercise of all the wisdom and energy of the country to heal the wounds which have been inflicted upon its commerce and productive industry, we would respectfully and earnestly urge upon the Executive the propriety of calling an extra session of Congress, to deliberate upon the unprecedented and alarming embarrassments in which we are involved. The members, coming directly from their constituents, will have had the opportunity of knowing and appreciating the extent of the distress which exists; and we are convinced

that their collected opinions will fully sustain those which we have expressed, and their testimony indicate an amount of suffering of which we cannot believe that you, sir, have heretofore been aware.

We persuade ourselves that the representations which we have given of the actual condition of our affairs will induce you to doubt the expediency of the policy which has been recently pursued; and we trust to your intelligence for such a change of measures as will revive the hopes and stimulate the energies of the merchants of New York.

ISAAC S. HONE,
JAMES W. BRYAN,
BENJAMIN LODER,
ALEX. B. McALPIN,
JOHN A. UNDERWOOD,
THOMAS TILESTON,
MEIGS D. BENJAMIN,
ELISHA LEWIS,
SIMEON DRAPER, Jr.

WASHINGTON, *May* 3, 1837.

D.

The subscribers, under the direction of a meeting of the Boston chamber of commerce, respectfully represent to the Hon. Secretary of the Treasury that much difficulty will arise here from the requisition, which they understand has been made, that all dues to the Treasury shall be paid in specie.

The suspension of specie payment is now universal in this city, and it is impossible to procure the amount necessary for the payment of custom-house bonds. If the requisition be made, there is no course left to the merchants but to submit to a suit, and its unpleasant consequences.

It is evident that specie for the large amounts daily falling due on custom-house bonds, throughout the country, cannot be procured on any terms. The refusal of specie for bonds is not, therefore, in the least, a matter of choice; the payment is utterly impossible.

If, then, no alteration be made in present instructions, the suits now just commencing will eventually extend to the commercial community throughout the country; incapacitating them from further entries or importations, and seriously embarrassing the financial operations of the Government. If this be so, it is merely a matter of time, with regard to the required alterations; sooner or later, they will become indispensable; if made now, much distress will be prevented.

Even were it otherwise, there are, it appears to the chamber, sufficient reasons why specie payments should not now be required by the Government. It is matter of notoriety that specie payment of the indemnity lately received by the Government has been refused to the claimants by the agents of Government; and further, that specie payment of debenture certificates is now refused at the custom-house, at the very moment when specie payment is demanded for bonds. The extreme hardship and injustice of the demand and the refusal, at the same moment, cannot require comment.

Under these circumstances, they cheerfully request such a modification of he requisitions of the Government as may consist with justice and the

ability of the community. To this purpose, a withdrawal of the specie instructions recently issued to the collector of this port, leaving him and the merchants to devise, in good faith, the means of adjusting the claims of the Government with the mercantile community, would, perhaps, be entirely sufficient. A course like this has been adopted on a former occasion, and seems to be the only one now practicable.

WM. STURGIS,
President Boston Chamber of Commerce.

THOS. W. WALES, } *Vice Presidents.*
ROB'T G. SHAW. }

G. M. THATCHER, *Secretary.*

E.

NEW ORLEANS CHAMBER OF COMMERCE,
New Orleans, May 25, 1837.

SIR: I have the honor to transmit to you, enclosed, a copy of the proceedings of the chamber of commerce of New Orleans, in relation to the deranged condition of the currency, and the impracticability resulting therefrom to conform strictly with the requisitions of the law and orders emanating from your department.

I beg leave most respectfully to call your attention to said proceedings, with the hope that some measures may be devised to obviate existing difficulties.

I have the honor to be, sir,
With great consideration and respect,
Your obedient servant,
SAM. J. PETERS,
President.

To the Hon. the SECRETARY OF THE TREASURY
Of the United States, Washington City.

NEW ORLEANS CHAMBER OF COMMERCE,
Saturday, May 20, 1837.

At a special meeting of the chamber held this day, the following preamble and resolutions were adopted, with only one dissenting voice:

Whereas, the collector of the custom-house of this district, in virtue of instructions from Washington, requires specie, or notes of specie-paying banks which are at par, in payment of all duty bonds: and whereas, it is well known that nearly all the banks of this city, including the deposite banks, have lately suspended specie payments; and that the notes of the few banks which have continued to redeem their circulation in specie are not re-issued, and therefore cannot be obtained, whilst the same banks refuse to pay their deposites in specie:

In consequence of which, it is impossible that the requisition of the collector can be complied with. Therefore, be it resolved—

1st. That, in the opinion of this chamber, the existing revenue laws, which it is now attempted strictly to enforce, were passed by Congress un-

der circumstances very essentially differing from those which at present prevail; and that a revision of the same by Congress has become indispensable.

2d. That, in the opinion of this chamber, it is highly expedient that Congress should be called at as early a period as may be practicable, with a view to take into consideration the currency of the country, and the revision of the revenue laws, so as to reconcile them with the present state of things, and to render them susceptible of being executed.

3d. That the payment of duty bonds in gold and silver, under existing circumstances, is utterly impracticable; and if the collector cannot receive in payment thereof the notes of our local banks, said bonds must necessarily remain unpaid until the action of Congress with regard to the same be ascertained.

4th. That any attempt on the part of Government to enforce the collection of custom-house bonds in gold and silver, will be attended with serious suffering and distress: inasmuch as the sale of property by the marshal of the United States cannot be effected, for specie, without the most cruel and unnecessary sacrifices.

5th. That if the Government persists in the collection of duty bonds in gold and silver, when the same is not to be procured; and in the event of its finding attorneys and jurors willing to assist in rigorous prosecutions, it is the opinion of this chamber that these measures may gradually lead the country into scenes of disorder, violence, and resistance to the laws, which are seriously to be deprecated, and which the Government ought to avoid.

6th. That the president of this chamber be requested to transmit a copy of these resolutions to the President of the United States and the Secretary of the Treasury.

[SEAL.] A true copy from the minutes: as witness my hand and seal of the chamber, this 24th day of May, 1837.

GEO. W. WHITE, *Secretary.*

F 1.

TREASURY DEPARTMENT,
May 21, 1837.

GENTLEMEN: Your communication, in behalf of the chamber of commerce in Boston, concerning the payment of duties, was received at this department to-day. Though without date, it is presumed to have been written before the receipt in your city of the proclamation of the President calling a special and early session of Congress, and of the circulars, letters, and notices of this department, recently published, concerning custom-house bonds. Copies of these are, therefore, annexed, (numbered 1 to 7,) and to which I beg leave to refer for several explanations on some of the topics contained in your memorial.

In addition to those explanations, but a few other remarks are supposed to be necessary to put the chamber of commerce in full possession of the views of the undersigned, in respect to your request, and, it is hoped, to satisfy you that every thing has been done, and will continue to be done here, for relief to the merchants in the present distressing emergency, which the laws sanction and my limited authority permits.

One of the earliest acts passed by the first Congress convened under the present constitution of the United States, was that of July 31st, 1789, expressly requiring all duties to be "received in gold and silver only," and which provision has been virtually continued in subsequent laws. The circular of this department, from whose operation you ask to be exempted, is only a repetition or an affirmance of that act, except it contains a mitigation, justified by a long and liberal construction, which authorizes an equivalent for specie to be also received.

Under that construction, anxious as the department has been, and still is, to extend every indulgence to those connected with it, which is not inconsistent with law and public duty, it sanctioned the receipt of the notes of specie-paying banks instead of specie for customs, and all the drafts or checks of the Treasury, not paid to the satisfaction of the holders, by the banks on which they are drawn. Debenture bonds are likewise receivable in payment of duties; and, whenever doubt has arisen on that point, express instructions have been given to take them.

Beyond these alleviations, the department has yet been unable to discover any legal authority which it possesses, or is able to delegate to others, to receive substitutes for the specie, which is imperatively required by law in payment of duties. On the contrary, by a reference to the various acts of Congress bearing on this subject, it will be manifest that if the department, under the influence of sympathy, rather than of official obligations, should allow any thing not equivalent to specie to be received for duties, it would violate the letter of the original law on this subject, and the invariable practice under it, with one brief and occasional exception, which existed only in certain sections of the country, about twenty years since, and commenced during invasion and war. It would also act in conflict with both the letter and spirit of the joint resolution of Congress, afterwards passed in April, 1815, for the avowed purpose of preventing any longer or future deviation from the act of 1789.

If, in a period of profound peace, and in many respects of great prosperity, the President and the undersigned, as mere executive officers, jealously restricted by the constitution and by statutes, should proceed to dispense with these laws, without previous permission from Congress, it might certainly be considered one of those unwarranted usurpations of power, so boldly and cogently denounced by our forefathers; and, without doubt, we should next, and on similar grounds, be requested to extend a like indulgence to all debtors of the Government, whether individuals or banks, and to all the purchasers of the public lands, though these last are likewise required by statute to be paid for in "specie, or in evidences of the public debt of the United States." Any such disregard of those imperative requisitions would lead to other consequences almost equally alarming and deplorable, as it would amount to the receipt for duties of what was less valuable to the community and to the Government than what the acts of Congress expressly direct.

In this way, without legal authority, the interests of the United States would further be injuriously relinquished and compromised, by virtually allowing a diminution of the whole tariff of duties, and all the incidental benefits anticipated from it, to any of the great branches of industy in the country, quite to the extent of the difference in value between specie and the notes of the banks not paying specie. The many millions of unavailable paper, which would probably be thus placed in the Treasury for duties and other debts, it would be difficult to compute; as, besides the twenty-six

or seven millions now due from individuals and banks, most, if not all of the future revenue accruing from customs, or the increased sales of public land in consequence of such a system, would be paid to the United States in notes of the same depreciated character. It deserves consideration, likewise, what could legally be done with such funds when collected; as, by the second section of the act of April 14th, 1836, the Treasury is expressly forbidden to offer, in payment of any claim whatever against the United States, "any bank note of any denomination, unless the same shall be payable, and paid on demand, in gold or silver coin, at the place where issued, and which shall not be equivalent to specie at the place where offered, and convertible into gold or silver upon the spot, at the will of the holder, and without delay or loss to him."

How great would be the loss on such irredeemable funds, and who ought to bear it when they are received contrary to law, and how destructive such measures would prove to the preservation of a sound constitutional currency, by indirectly sanctioning, as they would, the disuse of specie for it here, and the consequent export of it in large quantities to foreign countries, as an article of trade, need not be dwelt on at this time. It is moreover manifest, that all such collections would further disable the Treasury from paying immediately, in the manner it is bound by law and good faith to do, the various public creditors; some of whom are stated, as a matter of complaint, in your memorial, not to be able now to obtain specie for their claims. But if the indemnity certificates and debentures to which you refer have not all been paid in specie or its equivalent to the merchants or other holders, you may rest assured that the failure to do it has not arisen from any direction to that effect by the Treasury; but, on the contrary, that express orders have been given to meet both with specie when demanded; and, if not done, the failure has occurred, and will continue, only in consequence of the regretted omission of the merchants themselves promptly to discharge their bonds in specie, and of a like omission on the part of the banks (through the misfortunes or advice of many of their customers) not to continue to discharge their obligations in the manner provided by law and their agreements with the Treasury. One great and paramount object, therefore, in requiring that the public dues should continue to be paid to the United States in a legal manner, is, to enable the department, in this emergency, faithfully and promptly to pay others in that manner, and, as soon as practicable, to overcome any embarrassments or delays to its own creditors, which may have happened in consequence of the course pursued by those on whom the Government is immediately dependant for its available means. You justly intimate that the public payments ought to be made in this way; and you may rest assured that, in all cases where creditors are not otherwise satisfied, it will cheerfully be done the moment the Treasury is enabled to accomplish it by a compliance with their engagements on the part of those indebted to the United States.

If, from the accidents and misfortunes of others, in any instance, such an inability as you describe has occurred with any of our fiscal depositories or custom-house officers, and any reproach should inconsiderately be cast on the Government for this inability, which has been caused by others, (though, without doubt, unintentionally,) you may rest satisfied that no proper effort will be spared here to avoid *deserving* the censure of "extreme hardship or injustice" on this account, and (by strenuously endeavoring to do to others all which it asks of them) to discharge every claim

against the Government, in specie or its equivalent, at the earliest day practicable.

In connexion with this, and merely in justification of the Treasury, it may be proper to notice further, that, besides near thirty millions elsewhere, something like three-quarters of a million of dollars were due in your city alone, from merchants, and institutions of which many of them are members, and payable to the United States in specie and on demand, at the time your memorial was forwarded, setting forth the omission of our fiscal agents to pay in that currency some small demands held by a portion of the mercantile community.

This department is aware that, even after all its forbearances and mitigations, some embarrassments must still be undergone, in certain cases, by means of incidental difficulties, and the strictness of the laws as to cash duties, which were introduced wholly for the benefit of manufacturers, rather than of the finances. But it cannot concur in the opinion that during the present favorable condition of the country, in respect to its large amount of specie, it will be impossible to obtain sufficient for this purpose; and, considering that all which is paid must immediately return again into active circulation, it trusts that the merchants will find themselves fully indemnified for the inconvenience and limited sacrifices to which they may be exposed in obtaining the small sums necessary for their object by and after the liberal indulgences authorized on their duty bonds.

Thus, by instructions published at Boston since your letter was probably written, the disagreeable result you anticipate, to wit: "that there is no course left to the merchants but to submit to a suit and its unpleasant consequences," need rarely, if ever, occur in cases of real solvency; as liberal extensions of credit have been permitted, under proper circumstances, *before* as well as *after* suit, till the meeting of Congress; and, in addition to these, an extraordinary session of that body has been called by the President at the earliest convenient day, with a view, among other things, to afford an opportunity for new legislation to yield further relief in the present embarrassing posture of affairs.

With these explanations, and such others as appear in the documents before referred to, and which, ere this, have probably reached your city, the department cherishes a hope that your chamber of commerce will be satisfied that every thing of an alleviating character has already been done, in respect to duty bonds, which the laws sanction, and the public interests justify; that all proper exertions have been made, and are making by it, to preserve the same good and legal fidelity in its obligations to others which it requests of them; that if not successful, the failure will arise from the misfortunes or neglect of others; and that, by a firm perseverance in the path of duty on this subject, reciprocal aid will be conferred, both by the merchants and the Treasury, to preserve a sound state of the currency for all the public purposes, and gradually, if not speedily, restore one for all the ordinary transactions of life.

This department confides so much in the intelligence, correct principles, and patriotism of those who, through you, have addressed it, that it cannot doubt they will be solicitous to prevent, even in times of the greatest embarrassment, any discredit being cast on the character and practical workings of our free institutions.

It feels satisfied that the chamber of commerce, as well as the whole community, must, after reflecting on such considerations, become quite as

desirous as the undersigned for a mutual and vigorous co-operation to uphold the habitual opinions and practices in favor of the inviolability of the constitution and laws, which are fortunately so characteristic of the great mass of the population in every quarter of the Union.

It is in this manner only that the department can be enabled to carry on the fiscal operations of the Treasury, so as to maintain the public faith unimpaired at home and abroad, and sustain, as far as relates to the currency, a sound standard of value, in the true spirit of the constitution, and according to the best established principles of political economy.

Respectfully, yours,

LEVI WOODBURY,
Secretary of the Treasury.

To WILLIAM STURGIS, *President*,
G. WALES, } *Vice Presidents, and*
R. G. SHAW, }
G. M. THATCHER, *Secretary of the Boston Chamber of Commerce.*

F 2.

TREASURY DEPARTMENT,
May 19, 1837.

SIR: This department has, with much surprise, seen several representations in the daily press concerning certain declarations made by you at a recent public meeting in New York city, as to the course you intended to pursue in future in collecting the public revenue.

The importance of the subject, and the nature of these representations, render it my unpleasant duty to call your immediate attention to them.

Some of the accounts of what took place represent you as saying, in substance, that, as the orders of the Treasury could not be complied with, you, on your own responsibility, would dispense with them; while others state that you understood a discretion had been left to you by the Executive on this subject; and that, in the exercise of such discretion, you should not conform to the instructions of the department, either by collecting the money yourself, which fell due for duties, or by collecting it in such kind of money as the laws require. Other representations convey the idea, that, if you pursued such a course, the Government would make no objection to it.

Under a belief that in these reports, as to your remarks and determination on this subject, some unfortunate errors must have occurred, or that you must have imbibed very incorrect opinions concerning the views entertained by the department, it becomes proper on the present occasion to repeat, in explicit terms, the real character and extent of those views.

1. The order as to the mode of collecting bonds by yourself, rather than through the banks, and in specie or its equivalent, was, in the last respect, in accordance with the course which you reported to this department for its approval on the suspension of payment by the banks. The order was the same in substance, in all respects, at your port, as that adopted at all other ports in the United States, where no banks paid specie on demand for their notes, and where, in that event, the express language of the deposite act of June, 1836, imperatively required their discontinuance as public depositories; and other laws virtually forbid the receipt of their notes for duties.

2. But, in the wide-spread calamity which had recently fallen on the commercial world, and, through it, upon those banking institutions, in common with others which were depositories of the public money, it was evident that our finances must become embarrassed through the previous embarrassments of others, and that great care and efforts must be exercised to meet faithfully the current public engagements. At the same time, it was desirable that every indulgence and forbearance should be exercised, and were intended by the President and this department to be liberally exercised, towards the public debtors, which those engagements would permit.

3. Accordingly, in order to mitigate the evils which pressed so heavily on the merchants, this department, with the sanction of the President, at once authorized a postponement to be granted, in all suitable cases, of the payment of duty bonds, as well before as after suit; and subsequently, as new events justified, permitted it to be extended till after the commencement of the next session of Congress.

The department likewise empowered the collectors to receive for duties the drafts of the Treasurer, in favor of the public creditors which might not be paid in specie to the holders by the banks on which they were drawn.

Outstanding debenture bonds are also receivable in the same way; and, to afford the opportunity to procure still further aid and relief, if it shall be deemed proper by Congress, that body has been specially convened by the President at the earliest convenient day.

After all these mitigating measures, neither the President nor this department saw any further indulgence which could be given consistent with the acts of Congress, and which it was within our powers to bestow, limited and regulated as those powers are by various express laws.

It was, and still is, hoped that the merchants would, till Congress assembled, cheerfully incur the diminished sacrifices, in respect to the payment of some of the duties, which their liabilities and business might render necessary; and that the officers connected with the customs would feel a pride, as well as zeal, in encouraging them to uphold the laws faithfully, and neither countenance nor permit any departures from them.

The Executive possesses no authority to delegate to you, nor has it intended to delegate, any discretion to disregard those laws in any particular, or to act contrary to the instructions of the department, which had been issued in conformity to them; nor can it sanction the exercise of any such discretion on the part of any of the officers of the customs.

It would seem better that the duties, whether due on bonds or in cash, when the goods are entered, and which the merchants may be unable, if not postponed, to pay in any of the legal modes before pointed out, till the early day on which Congress convenes, should go entirely unpaid from inability to meet them legally, than be collected or discharged in a manner that is not sanctioned either by the acts of Congress or our duty to the Government.

The department is willing to make liberal allowances for acts growing out of the sympathy naturally felt for the embarrassments of the commercial community, and the strong desire to contribute to their relief; but you must be sensible that the newspaper accounts which have already appeared are calculated to convey the idea that the President and this department are disposed to overlook, or even to approve, the unauthorized course which it is said you propose to adopt; and it is possible that, from your full knowledge of the sincerity and extent of the anxious desire of the President and of this

department to afford relief, you may have entertained the impression that such would be the case.

It therefore becomes my duty instantly to inform you that all such impressions are erroneous, and it is hoped that many of the considerations before stated will have occurred to you; and that, under their influence, you will continue to discharge your duties in the manner pointed out in the acts of Congress and the instructions of this department.

I am, sir, very respectfully,
Your obedient servant,
LEVI WOODBURY,
Secretary of the Treasury.

SAMUEL SWARTWOUT, Esq.
Collector, New York.

F 3.

NEW YORK, *August* 28, 1837.

SIR: The undersigned have been appointed a committee of the chamber of commerce of the city of New York, for the purpose of addressing to you the following representations upon the subject of the payment of custom-house bonds becoming due, and of duties upon wool and woollen goods now lying in the public stores in this city.

It appears that there were custom-house bonds in the hands of the district attorney, payable previously to the first of this month, (August,) for - - - - - - - - $2,200,000

And at custom-house, payable in August			705,500
Ditto	do.	September	1,004,727
Ditto	do.	October	536,093
Ditto	do.	November	350,646
Ditto	do.	December	318,245
			5,115,211
And duties on merchandise not entered, now in public store, estimated at			2,000,000
		Total	$7,115,211

This port being the recipient of merchandise destined for the consumption of a large portion of the Union, the importing merchants here assume, in the first instance, the responsibility of paying the duties to Government; and the history of the past may well attest the fidelity with which that responsibility has been discharged, until the present time, when the general condition of affairs has been so essentially changed.

After the banks of the Union had suspended specie payments, the difficulty of paying the dues to Government, in legal currency, became insurmountable, and, at the instance of this committee, the period of payment of custom-house bonds was postponed by your department until the 1st of October next, in order that Congress, which would then be assembled, might make the needful laws upon this new shape of things.

The mercantile and trading interests of the whole country have since been laboring under unparalleled difficulties, so that reliance can no longer be placed upon *receipts*, which mainly govern the regularity of *payments*, by all connected with commerce.

Owing to the entire derangement of the internal exchanges, and to the absence of a specie standard, funds, even when collected at various points of the Union, are generally unavailable as the means of payment here.

The banks of the city, with a laudable desire to resume specie payments at the earliest day, must adopt a system of restriction, and therefore withhold facilities, now more needed than ever by their dealers, whose collections in bank chiefly consist of payments of a part only of the amount due, with renewals for the remainder for two, three, and four months; and at the end of those periods, similar renewals are repeated.

This total derangement of all the means of carrying on the business of the country, throughout its various sections, has rendered the collection of debts impossible; and, accordingly, the vast amount due for goods already sold in this city, on which a large portion of existing duties were levied, remains unpaid, and without any immediate prospect of liquidation. Nor can sales now be made of foreign merchandise on hand; and it is impracticable to convert goods into money, as well from the inability to pay on the part of buyers, as from the unwillingness to sell on credit on the part of the holders; and sales by auction can only be made at ruinous sacrifices.

A general extension, to a large portion of their debtors, has also been granted, for a period of twelve months and upwards, by the importing merchants of this city; and there is now due from other places, to those engaged here in the importation and sale of foreign merchandise, a much larger amount than would pay off all debts from this city to the Government and to foreign countries.

A very large proportion of the means of the importing merchants is thus virtually withdrawn from their control, and scattered throughout the Union; whence it cannot be collected, in any available manner, in the present state of suspended payments by banks and individuals, of derangement in the domestic exchanges, and of interruption to business, throughout the whole country.

Under these circumstances, the importing merchants have no alternative left, but to ask the Government to apply to them the same measure of relief which they have granted to their debtors, by extending for a year the period of payment of bonds, and of other dues at the custom-house; at which time, it is fully believed there will remain no obstacle to a punctual discharge of all such indebtedness.

The like remarks apply to the inability of the importers of wool and woollen goods, now in public store, to pay duties; which will amount, according to the above estimate, to two millions of dollars. The Government holds these goods in its own keeping; therefore, the revenue is secure: and the extension of one year beyond the time required by law may, with entire safety, be granted to the importers for entering and paying the duties on these goods.

The undersigned, therefore, respectfully represent the necessity which, under the circumstances set forth herein, renders it expedient that Congress should interfere, at a day previous to the 1st of October next, by the passage of a law providing for the postponement of the collection of such bonds at the custom-house as may fall due prior to the 1st of January next, with assent of sureties, and upon interest; allowing, however, the option of earlier payment, and thus stopping interest: and, also, to extend, for one year, the respective periods within which goods subject, upon entry, to the payment of duties in cash, may be retained in the public stores.

In the hope that these suggestions may meet your approval, and, in that case, that you will see fit to recommend the passage of such a law, at the opening of the ensuing Congress, and, in the mean time, that you would favor us with a reply,

We have the honor to remain, sir, respectfully,

Your obedient servants,

J. BOORMAN,
JAMES D. P. OGDEN,
CHARLES H. RUSSELL,
JAMES BROWN,
JAMES LEE,
JAMES G. KING,
GEORGE GRISWOLD,
JOHN B. STEVENS,

Committee of the Chamber of Commerce of the city of New York.

To the Hon. LEVI WOODBURY,
Secretary of the Treasury, Washington.

G.

TREASURY DEPARTMENT,
1837.

SIR: Having been furnished with a copy of the law passed by the Legislature of the State of , it appears that you are authorized to receive, in behalf of that State, the amount to be deposited therewith, by the provisions of the act of Congress "to regulate the deposites of the public money," approved 23d June, 1836.

That amount has been ascertained to be dollars, the quarterly payment of which will be made at the respective banks to which the enclosed transfer drafts, amounting in all to $, are directed, upon your executing a receipt agreeably to the enclosed form, to each of them, for the sums received therefrom.

I am, sir, very respectfully,

Your obedient servant,

Secretary of the Treasury.

P S.—It may be useful, in the present embarrassed condition of the pecuniary concerns of the country and of the banks, to suggest, that, for reasons growing out of the deposite act, as well as the existing liabilities of the banks, and the obligations required from the States to the Treasury, no one of the latter is requested to accept, on the within transfers, any kind of money which is not available and at par, and which it is not ready to account for in the same way when required.

Should any of the banks, therefore, on which the transfers are drawn, fail to deposite with you such money, they may be returned to this department, with a statement of the fact, in order that the case may be submitted to Congress at its approaching session.

Form of a receipt by a State.

Whereas, by the 13th section of an act of the Congress of the United States, entitled "An act to regulate the deposites of the public money," ap-

proved the 23d of June, 1836, it was enacted "that the money which shall be in the Treasury of the United States on the 1st day of January, 1837, reserving the sum of five millions of dollars, shall be deposited with such of the several States, in proportion to their respective representation in the Senate and House of Representatives of the United States, as shall by law authorize their treasurer, or the competent authorities, to receive the same, on the terms hereafter specified; and the Secretary of the Treasury shall deliver the same to such treasurer, or other competent authorities, on receiving certificates of deposite therefor, signed by such competent authorities, in such form as may be prescribed by the Secretary aforesaid:"

And whereas the State of has, by an act of its Legislature passed on the day of , one thousand eight hundred and thirty , authorized and directed the of the said State to receive its proportional share of the said surplus moneys of the United States on deposite with the said State, upon the terms specified in the said act of Congress:

And whereas the Secretary of the Treasury, in pursuance of the provisions of the said act of Congress, and in conformity with the provisions of the said act of the Legislature of the State of , has delivered to the thereof the sum of dollars and cents, the same being the first instalment, or one-fourth part, of the ratable proportion of the said State in the surplus money in the Treasury on the 1st day of January, 1837:

Now, therefore, be it known, that I, do hereby certify that the said sum of dollars and cents has been deposited by the Secretary of the Treasury with the State of , and that for the safe-keeping and repayment of the same to the United States, in conformity to said act of Congress, the State of is legally bound, and its faith is solemnly pledged. And in pursuance of the authority of the act of the Legislature aforesaid, for and in behalf of the said State, I hereby affix my signature and seal in testimony of the premises, and of the faith of the said State to pay the said money so deposited, and every part thereof, from time to time, whenever the same shall be required by the Secretary of the Treasury, for the purposes and in the manner and proportions set forth and described in the said recited 13th section of the act of Congress aforesaid, and by a requisition or notice similar in form to that hereto annexed, addressed to the care of the Governor of said State.

Signed and sealed this day of , one thousand eight hundred and thirty .

Attest:

The form of a requisition or notice for repayment will be substantially as follows:

TREASURY DEPARTMENT,
183 .

TO THE STATE OF

Under the provisions of an act of Congress entitled "An act to regulate the deposites of the public money," passed June 23d, 1836, and an act of said State passed , certain sums of money belonging to the United States having been deposited with the State aforesaid for safe-keeping and repayment, in conformity with the provisions of said act, said

State is hereby notified that a portion of said money, viz: the sum of $, is required to be repaid to the United States by the State aforesaid, for the purposes named in said act, and in conformity with its provisions.

Secretary of the Treasury.

Care of his Excellency

Governor of said State.

[The repayment of the said sum to the Treasurer of the United States will be in one of the following modes, which this department may in any particular case prefer and direct, viz:

1. By a request annexed to the above requisition to place the same to the credit of said Treasurer in the Bank of , at , on or before the day of next, and to take duplicate receipts therefor; one of which receipts sent to the said Treasurer will be a sufficient voucher for the amount of said repayment on the part of said State.

2. Or, by a request written by said Secretary on the back of a common Treasury warrant, directed to the State for payment by said Treasurer, that said State would pay the same; and which warrant, with a receipt of payment thereon, will be a sufficient voucher as aforesaid.]

H 1.

Circular from the Secretary of the Treasury with regard to the receipt, and transmission by mail, of bank notes.

TREASURY DEPARTMENT,
September 22, 1789.

SIR: In consequence of arrangements lately taken with the Bank of North America and the Bank of New York, for the accommodation of the Government, I am to inform you that it is my desire that the notes of those banks, payable either on demand, or at no longer period than thirty days after their respective dates, should be received in payment of the duties, as equivalent to gold and silver; and that they will be received from you as such by the Treasurer of the United States.

This measure, besides the immediate accommodation to which it has reference, will facilitate remittances from the several States, without drawing away their specie; an advantage, in every view, important.

I shall cause you shortly to be furnished with indications of the genuine notes as will serve to guard you against counterfeits, and shall direct the manner of remitting them. In the mean time, and until further orders, you will please to receive them, transmitting to me a weekly account of your receipts.

The Treasurer of the United States will probably have occasion to draw upon you for part of the compensation of the members of Congress from your State. These drafts you will also receive in payment of the duties, or

in exchange for any specie arising from them which shall have come to your hands.

I am, sir, your obedient servant,

ALEXANDER HAMILTON,

Secretary of the Treasury.

OTHO H. WILLIAMS,

Collector of the Customs for Baltimore, Maryland.

H 2.

Extract from a report of the Secretary of the Treasury, of April 22, 1790, *with regard to the collection law.*

SECTION 30.—This section provides for the receipt of the duties in gold and silver coin only. The Secretary has considered this provision as having for object the exclusion of payments in the paper emissions of the particular States, and the securing the immediate or ultimate collection of the duties in specie, as intended to prohibit to individuals the right of paying in any thing except gold or silver coin, but not to hinder the Treasury from making such arrangements as its exigencies, the speedy command of the public resources, and the convenience of the community, might dictate; those arrangements being compatible with the eventual receipt of the duties in specie. For instance: the Secretary did not imagine that the provision ought to be so understood as to prevent, if necessary, an anticipation of the duties by Treasury drafts receivable at the several custom-houses. And, if it ought not to be understood in this sense, it appeared to him that the principle of a different construction would extend to the permitting the receipt of the notes of public banks issued on a specie fund. Unless it can be supposed that the exchanging of specie, after it has been received for bank notes, to be remitted to the Treasury, is also interdicted, it seems difficult to conclude that the receipt of them, in the first instance, is forbidden.

Such were the reflections of the Secretary with regard to the authority to permit bank notes to be taken in payment of the duties. The expediency of doing it appeared to him to be still less questionable. The extension of their circulation by the measure is calculated to increase both the ability and the inclination of the banks to aid the Government. It also accelerates the command of the product of the revenues for the public service, and it facilitates the payment of the duties. It has the first effect, because the course of business occasions the notes to be sent beforehand to distant places, and, being ready on the spot, either for payment or exchange, the first post after the duties become payable, or are received, conveys them to the Treasury. The substitution of Treasury drafts, anticipating the duties, could hardly be made without some sacrifice on the part of the public, as they would be drawn upon time; and upon the expectation of funds to be collected, and, of course, contingent, it is not probable that they would obtain a ready sale, but at a discount, or upon long credit. As they would, also, be more or less liable to accident, from the failure of expected payments, there would be continually a degree of hazard to public credit. And, to other considerations, it may be added, that the practice of anticipations of this kind is, in its nature, so capable of abuse, as to render it an

ineligible instrument of administration in ordinary cases, and fit only for times of necessity.

If the idea of anticipation should be excluded, then the relying wholly upon Treasury drafts would be productive of considerable delay. The knowledge that funds were in hand, must precede the issuing of them; here would, of course, be some loss of time. And as the moment of demand, created by the course of business, would frequently elapse, there would as frequently be a further loss of time in waiting for a new demand. In such intervals the public service would suffer, the specie would be locked up, and circulation checked. Bank notes being a convenient species of money, whatever increases their circulation increases the quantity of current money. Hence, the payment of duties is doubly promoted by their aid; they at once add to the quantity of medium, and serve to prevent the stagnation of specie.

The tendency of the measure to lessen the necessity of drawing specie from distant places to the seat of Government results from the foregoing considerations. The slow operation of Treasury drafts would frequently involve a necessity of bringing on specie to answer the exigencies of Government; the avoiding of which as much as possible, in the particular situation of this country, need not be insisted upon.

I.

TREASURY DEPARTMENT,
May —, 1837.

Sir: As the painful information has reached this department, through the public press, that your bank has suspended specie payments, the object of this letter is to learn, officially, if that fact has happened; and to receive such explanations concerning the reasons for it, and the future course of your business, as it will be apparent are so important for this department to know, under the existing liabilities and relations between you and the Government.

While, on the one hand, it is deemed proper that such indulgences should be granted by this department to its former fiscal agents as they may request, consistently with the laws and with the present state of the Treasury; it must be apparent, on the other hand, that nothing can be granted which is likely to endanger the safety of the public funds, and other important public interests.

The imperative provisions of the act of June, 1836, make it the duty of this department to discontinue ordering any further sums of public money to be placed with the deposite banks, after suspending specie payments. And hence you are notified, that no more can be thus deposited in your institution, provided such a failure to redeem your notes has actually occurred.

It is also made my duty as soon as practicable to select other depositories, and place with them the money of the United States in your possession, as well as the accruing revenue; but the department will endeavor to draw out the funds in your hands by warrants and transfers, reasonable in their amount and in the periods of their payment. Such warrants and transfers, it is trusted, you will at all times be anxious and able to meet, in a manner satisfactory to all concerned; not only with a view to fulfil faith-

fully your contract, and relieve the Treasury and its creditors from embarrassment and losses, but to exonerate yourselves and sureties from consequences equally injurious, inevitable, and unpleasant.

I trust, further, that you will continue to regard it your duty, while any public money remains in your possession, to forward, regularly, all the returns and statements which are required by your agreement—the mutual advantages from doing which, cannot fail to be obvious.

The department will also feel much obliged if you will furnish, as early as practicable, replies to the two following inquiries, in order that it may be in possession of such intelligence from you, in an authentic form, as will be useful to the community and the States, and very material for regulating properly the future measures of the Treasury. Those inquiries are—

1st. Whether you expect to resume specie payments soon, and what mode you propose to take fully and seasonably to indemnify, secure, and satisfy the Government and the public creditors for any breach of your agreement and bond?

2d. Whether, if you do not expect to resume specie payments soon, any particular time for it hereafter has been yet decided on, and what special efforts or arrangements you intend to make for that very important object?

I am, very respectfully,
Your obedient servant,
LEVI WOODBURY,
Secretary of the Treasury.

To the CASHIER *of the* ——— *Bank.*

K.

List of deposite banks discontinued under the deposite act of June, 1836.

Mercantile Bank, Bangor, Maine.
Maine Bank, Portland, Maine.
Cumberland Bank, Portland, Maine.
Granite Bank, Augusta, Maine.
York Bank, Saco, Maine.
New Hampshire Bank, Portsmouth, New Hampshire.
Commercial Bank, Portsmouth, New Hampshire.
Portsmouth Bank, Portsmouth, New Hampshire.
Piscataqua Bank, Portsmouth, New Hampshire.
Merrimack County Bank, Concord, New Hampshire.
Mechanics' Bank, Concord, New Hampshire.
Merchants' Bank, Boston, Massachusetts.
Commonwealth Bank, Boston, Massachusetts.
Franklin Bank, Boston, Massachusetts.
Fulton Bank, Boston, Massachusetts.
Hancock Bank, Boston, Massachusetts.
Phœnix Bank, Charlestown, Massachusetts.
Bank of Burlington, Vermont.
Bank of Windsor, Windsor, Vermont.
Quinebaug Bank, Norwich, Connecticut.
Farmers and Mechanics' Bank, Hartford, Connecticut.
Mechanics' Bank, New Haven, Connecticut.
Arcade Bank, Providence, Rhode Island.

Rhode Island Union Bank, Newport, Rhode Island.
Mechanics and Farmers' Bank, Albany, New York.
Manhattan Company, New York, N. Y.
Bank of America, New York, N. Y.
Mechanics' Bank, New York, N. Y.
Seventh Ward Bank, New York, N. Y.
Lafayette Bank, New York, N. Y.
Phœnix Bank, New York, N. Y.
Leather Manufacturers' Bank, New York, N. Y.
Tradesmen's Bank, New York, N. Y.
Dry Dock Company, New York, N. Y.
Merchants' Bank, New York, N. Y.
Union Bank, New York, N. Y.
National Bank, New York, N. Y.
Merchants' Exchange Bank, New York, N. Y.
Brooklyn Bank, Brooklyn, New York.
Commercial Bank, Buffalo, New York.
Troy Bank, Troy, New York.
Trenton Banking Company, New Jersey.
State Bank, Newark, New Jersey.
State Bank, Elizabeth, New Jersey.
Girard Bank, Philadelphia, Pennsylvania.
Moyamensing Bank, Philadelphia, Pennsylvania.
Merchants and Manufacturers' Bank, Pittsburg, Pennsylvania.
Bank of Wilmington and Brandywine, Wilmington, Delaware.
Bank of Delaware, Wilmington, Delaware.
Union Bank of Maryland, Baltimore, Maryland.
Franklin Bank, Baltimore, Maryland.
Bank of the Metropolis, District of Columbia.
Bank of Virginia, Richmond, Virginia.
Farmers' Bank of Virginia, at Richmond, Virginia.
Bank of the State of North Carolina, Raleigh, North Carolina.
Planters and Mechanics' Bank, Charleston, South Carolina.
Bank of Charleston, Charleston, South Carolina.
Bank of Augusta, Georgia.
Branch Bank of Alabama, Mobile, Alabama.
Union Bank of Louisiana, and branches, New Orleans, Louisiana.
Commercial Bank, New Orleans, Louisiana.
Planters' Bank of Mississippi, and branches, Natchez, Mississippi.
Agricultural Bank and branches, Natchez, Mississippi.
Union Bank of Tennessee, Nashville, Tennessee.
Planters' Bank and branches, Nashville, Tennessee.
Bank of Kentucky and branches, Louisville, Kentucky.
Northern Bank of Kentucky, at Lexington, and branch at Louisville, Kentucky.
Clinton Bank of Columbus, Ohio.
Franklin Bank of Columbus, Ohio.
Bank of Chillicothe, Ohio.
Franklin Bank, Cincinnati, Ohio.
Commercial Bank, Cincinnati, Ohio.
Agency of Commercial Bank at St. Louis, Missouri.
Bank of Zanesville, Ohio.

Bank of Wooster, Ohio.
Commercial Bank of Lake Erie at Cleaveland, Ohio.
Bank of Cleaveland at Cleaveland, Ohio.
State Bank of Indiana, Indianapolis, Indiana.
Illinois Bank, at Shawneetown, Illinois.
Bank of Michigan, Detroit, Michigan.
Farmers and Mechanics' Bank of Detroit, Michigan.
*Bank of River Raisin, Michigan.

L.

List of present deposite banks under the act of June, 1836.

People's Bank, Bangor, Maine.
†Brooklyn Bank, Brooklyn, New York.
Planters' Bank of Georgia, Savannah, Georgia.
Insurance Bank of Columbus, Georgia.
Louisville Savings Institution, Kentucky.
Bank of the State of Missouri, St. Louis.

M 1.

To Collectors of the Customs.

TREASURY DEPARTMENT,
May 12, 1837.

If the bank where you deposite should suspend specie payments, you will yourself collect, and keep safely in your own hands, the public money for all duties at your port, until further directions are given to you by this department how to deposite, transfer, or pay it. You must, of course, continue to adhere to the existing laws of Congress, and the former instructions of the Treasury, in respect to the kind of money receivable for customs; and by which it is understood to be your duty to require payments to be made in specie, or the notes of specie-paying banks that are at par.

LEVI WOODBURY,
Secretary of the Treasury.

M 2.

Circular to receivers of public moneys.

TREASURY DEPARTMENT,
May 12, 1837.

If the bank where you deposite should suspend specie payments, you will keep in your own hands, safely, the public money you have in possession, or may hereafter receive, till further directions are given to you by this department how to deposite, transfer, or pay it, or any portion of it.

You will report to this department, weekly, the amount on hand.

LEVI WOODBURY,
Secretary of the Treasury.

*Discontinued by its request, before the suspension of specie payments.
† Reappointed when resumed specie payments.

N.

Circular instructions to collectors of the customs, and receivers of public money.

TREASURY DEPARTMENT,
June 9, 1837.

SIR: Should all the banks in your vicinity, selected as depositories of the public money, have suspended specie payments at any time so that you can no longer legally deposite in them, as usual, to the credit of the Treasurer, all public moneys received by you, except such sums as may be required to meet the current expenses of your office, the payment of debenture certificates by collectors, &c.; in other words, the sums you would formerly have placed in bank to the credit of the Treasurer of the United States, will, under the present arrangements, be placed to his credit, in a separate account, on the books of your office. They will be drawn for, by him, in the following manner, and no other:

1st. By the Treasurer's draft on the officer having funds to his credit, directing the payment; which draft will be recorded by the Register of the Treasury, who will authenticate the record by his signature. A private letter of advice will be transmitted by the Treasurer in each case.

2d. By a transfer draft signed as above, and approved by the signature of the Secretary of the Treasury, for the purpose of transferring funds to some other point where they may be required for the service of the Government.

No deduction whatever is to be made from the moneys placed by you to the credit of the Treasurer, except in one of these two modes, until they can be lodged by you with some legal depository.

On payment of any draft, the party to whom it is paid will receipt it. You will note on it the day of payment, will charge it on the same day to the Treasurer, and will transmit it to him with the return of his account in which it is charged. In charging these payments, it will be proper to enter each draft separately, and to state the number and kind of draft, whether transfer, or on Treasury, War, or Navy warrants, and the amount.

It is also necessary that the Treasurer's account be closed *weekly* with the conclusion of Saturdays' business, and transcripts thereof forwarded in duplicate—one copy to the Secretary of the Treasury, and one to the Treasurer. When the quarter of the year terminates on any other day of the week, the account should be closed on the last day of the quarter—leaving for an additional return the transactions from that time to the close of the week: so that neither the receipts nor payments of different quarters be included in one return. Punctuality in transmitting the returns is indispensable.

To produce uniformity in the manner of making the returns of the Treasurer's account, a form is herewith transmitted. For the purpose of binding, it is requested that they be made on paper of nearly the same size. Your *monthly* returns must be rendered to the department as heretofore.

When the public money shall have accumulated in your hands to an amount exceeding dollars, you can make a special deposite of the same, in your name, for safe-keeping in the nearest bank in which you have heretofore deposited the public money, and which will receive the same, to

be held by it, specially subject to the payment of checks or drafts drawn by the Treasurer of the United States on the officer by whom the same has been deposited.

LEVI WOODBURY,
Secretary of the Treasury.

O.

Extract from Treasury Report, April 22d, 1790, *to the House of Representatives.*

"As connected with the difficulties that have occurred in the execution of the laws, which is the subject of this report, the Secretary begs leave, in the last place, to mention the want of an officer in each State, or other considerable sub-division of the United States, having the general superintendence of all the officers of the revenue within such State or such division.

"Among the inconveniences attending it, is a great difficulty in drawing from the more remote ports the moneys which are there collected. As the course of business creates little or no demand at the seat of Government, or in its vicinity, for drafts upon such places, negotiations, in this way, are either very dilatory or impracticable; neither does the circulation of bank paper, from the same cause, extend to them. This embarrassment would be remedied by having one person in each State, or in a district of the United States, of convenient extent, charged with the receipt of all the moneys arising within it, and placed, in point of residence, where there was the greatest intercourse with the seat of Government. This would greatly facilitate negotiations between the Treasury and distant parts of the Union, and would contribute to lessening the necessity of the transportation of specie."

P.

STATEMENT of the number and amount of warrants drawn on the United States Bank and Branches, and the other banks which were depositories of the public moneys, during the year ending December 31, 1834.

EASTERN STATES.

Place.	No. of warrants.	Amount.
Portland	76	$142,020 00
Portsmouth	48	145,752 00
Boston	296	2,610,636 00
Salem	16	56,960 00
Providence	30	86,635 00
Newport	15	16,724 00
Bristol, Rhode Island	14	43,372 00
Hartford	14	129,499 00
Middletown, Connecticut	10	2,215 00
New Haven	43	64,328 00
Burlington	41	78,885 00
	603	3,377,026 00
New London	–	–
Bath	–	–

MIDDLE STATES.

New York	874	6,275,628 00
Utica	13	8,278 00
Buffalo	21	9,490 00
Philadelphia	438	5,156,461 00
Harrisburg	1	8 00
Pittsburg	76	88,978 00
Baltimore	237	689,328 00
Washington	1,458	4,163,631 00
Georgetown	1	60,000 00
Alexandria	10	2,041 00
	3,129	16,453,843 00
Albany	–	–
Newcastle	–	–

STATEMENT P—Continued.

SOUTHERN STATES.

Place.	No. of warrants.	Amount.
Richmond - - - -	75	$196,358 00
Norfolk - - - - -	111	696,744 00
Petersburg - - - -	4	11,104 00
Fayetteville, North Carolina - -	44	71,756 00
Charleston, South Carolina - -	152	344,278 00
Savannah - - - -	63	164,370 00
Augusta - - - -	10	4,182 00
	459	1,488,792 00
Fredericksburg - - - -	–	–
Lynchburg - - - -	–	–

SOUTHWESTERN STATES.

Mobile - - - - -	128	540,174 00
New Orleans - - - -	192	988,551 00
Natchez - - - -	52	151,633 00
Nashville - - - -	53	115,931 00
	425	1,796,289 00
Columbus, Mississippi - - -	–	–

WESTERN STATES.

St. Louis - - - -	111	542,291 00
Louisville - - - -	47	211,248 00
Lexington - - - -	13	84,413 00
Cincinnati - - - -	96	532,971 00
Detroit - - - - -	116	521,409 00
	383	1,892,332 00

STATEMENT P—Continued.

SUMMARY.

	No. of warrants.	Amount.
Eastern States - - - -	603	$3,377,026 00
Middle States - - - -	3,129	16,453,843 00
Southern States - - -	459	1,488,792 00
Southwestern States - - -	425	1,796,289 00
Western States - - - -	383	1,892,332 00
	4,999	25,008,282 00

Average about $5,000 for each warrant.
Not 1 per each day in each State.
Not 1 per each week in some States.
About 4 each day in Washington city.
About 2 each day in New York.
Not over 1 each day elsewhere in any case.

Q.—*COMPARATIVE condition of deposite banks in certain particulars in November, 1836, and in March, May, July, and August, 1837.*

	1st Nov., 1836.	1st March, 1837.	1st May, 1837.	1st July, 1837.	15th Aug., 1837.
IMMEDIATE MEANS.					
Specie	$15,520,202	$15,312,892	$13,331,610	$11,429,012	$10,580,413
Notes of other banks	16,412,324	17,671,447	11,484,769	10,333,914	9,545,429
Due from other banks	26,662,669	25,299,056	22,526,351	22,430,627	24,683,001
	58,595,195	58,283,395	47,342,730	44,193,553	44,808,843
IMMEDIATE LIABILITIES.					
Circulation	41,482,897	44,827,595	37,617,795	31,779,874	32,626,004
Due to banks	24,083,161	26,258,412	24,590,245	23,665,746	25,083,891
Deposites. Treasurer of the United States	45,059,539	38,960,294	26,862,006	21,039,325	12,944,666
Deposites. Public officers	4,318,446	5,350,454	5,264,052	5,121,444	4,574,076
Deposites. Private deposites	26,573,479	29,957,429	30,775,428	30,112,970	29,492,113
	141,517,522	145,354,184	125,109,526	111,719,359	104,720,750
All discounts	– –	171,287,054	154,227,992	139,718,823	130,597,192

CONDITION of deposite banks on or about June 15th, 1837, in different sections of the country.

REGION IN WHICH SITUATED.	Specie.	Notes of other b'nks.	Due by other banks.	Due to other banks.	Private deposites.	Public officers.	Treasurer of the U. S.	Circulation.
New England States	$672,816	$1,085,811	$1,549,298	$1,242,997	$2,043,211	$523,064	$1,895,897	$1,660,966
New York	1,772,610	3,301,886	9,206,289	7,861,943	10,765,871	760,705	4,804,287	4,258,010
N. Jersey, Penn., Delaware, Maryland, and Dist. of Col.	744,557	1,393,242	1,977,216	2,382,537	2,487,014	1,763,546	2,849,455	2,257,932
Virginia, North Carolina, South Carolina, and Georgia	2,068,954	822,560	1,160,059	1,806,150	4,449,964	618,577	1,470,627	6,884,459
Alabama, Mississippi, Louisiana, and Tennessee	1,168,022	554,149	2,604,942	5,675,864	4,520,550	1,285,391	6,298,897	9,375,981
Other western States, including Michigan	4,174,977	1,734,815	5,830,175	3,368,293	2,733,988	385,730	7,252,544	8,047,308
	10,601,936	8,892,463	22,327,979	22,337,784	27,000,598	5,337,013	24,571,707	32,484,656

R.

TREASURER'S WEEKLY STATEMENT, showing the amount at his credit in the various banks of public deposite and the Mint, by the returns received to Monday, August 28, 1837; the amount for which drafts and warrants have been issued, and were then unpaid; and the amount then remaining subject to his draft.

Date of bank returns.	In what banks.	On deposite. By last returns.	Warrants heretofore drawn, but not yet paid, though payable.	Subject to draft, exclusive of transfers, not entered by banks.
August 19	Maine Bank, Portland, Maine	$54,245 33	$35,639 58	$18,605 75
19	Cumberland Bank, Portland, Maine	23,859 15	15,250 00	8,609 15
19	People's Bank, Bangor, Maine	20,537 97	8,000 00	12,537 97
19	York Bank, Saco, Maine	82 42	82 42	
19	New Hampshire Bank, Portsmouth, New Hampshire	7,848 54	7,848 54	
19	Commercial Bank, Portsmouth, New Hampshire	28,777 81	20 00	28,757 81
19	Portsmouth Bank, Portsmouth, New Hampshire	8,814 50	8,814 50	
14	Piscataqua Bank, Portsmouth, New Hampshire	22,578 46	10,148 96	12,429 50
21	Merrimack County Bank, Concord, New Hampshire	23,732 00	8,200 00	15,532 00
19	Mechanics' Bank, Concord, New Hampshire	22,275 00	9,700 00	12,575 00
19	Merchants' Bank, Boston, Massachusetts	21,820 75	21,820 75	
19	Commonwealth Bank, Boston, Massachusetts	24,920 98	18,236 97	6,684 01
July 8	Franklin Bank, Boston, Massachusetts	16,800 00	–	16,800 00
August 19	Fulton Bank, Boston, Massachusetts	17,736 67	17,736 67	
19	Bank of Burlington, Vermont	85 49	85 49	
5	Bank of Windsor, Windsor, Vermont	503 15	503 15	
19	Mercantile Bank, Bangor, Maine	18,318 08	15,150 00	3,168 08
28	Metropolis (special)	140,541 62	–	140,541 62
12	Quinebaug Bank, Norwich, Connecticut	12,784 11	8,390 00	4,394 11
21	Mechanics' Bank, New Haven, Connecticut	18,845 07	14,930 00	3,915 07

	19	Arcade Bank, Providence, Rhode Island - -	1,616 25	1,616 25	
	19	Rhode Island Union Bank, Newport, Rhode Island -	3,816 81	301 55	3,515 26
	19	Mechanics and Farmers' Bank, Albany, New York -	21,024 88	21,024 88	
	21	Manhattan Company, New York, New York - -	226,880 92	137,699 97	89,180 95
	19	Bank of America, New York, New York - -	429,027 16	217,144 05	211,883 11
	21	Mechanics' Bank, New York, New York - -	255,044 82	278,886 66	
	12	Lafayette Bank, New York, New York - - -	39,000 00	50,000 00	
	21	Phœnix Bank, New York, New York - - -	8,438 08	8,438 08	
	26	Tradesmen's Bank, New York, New York - -	21,000 00	6,000 00	15,000 00
	18	Dry Dock Company, New York, New York - -	40,000 00	20,000 00	20,000 00
	19	Merchants' Bank, New York, New York - -	62,500 00	52,317 17	10,182 83
	19	Union Bank, New York, New York - - -	52,758 93	36,030 00	16,728 93
	19	National Bank, New York, New York - - -	21,994 12	1,500 00	20,494 12
	19	Merchants' Exchange Bank, New York, New York -	15,000 00	15,000 00	
	12	Brooklyn Bank, at Brooklyn, New York - - -	94,616 35	5,040 00	89,576 35
May	20	Commercial Bank, at Buffalo, New York - -	99,613 76	37,775 88	61,837 88
August	19	Troy Bank, at Troy, New York - - -	20 00	20 00	
	19	Trenton Banking Company, New Jersey - -	24,756 50	24,756 00	50
	19	State Bank at Newark, New Jersey - - -	50,750 42	26,044 00	24,706 42
	15	State Bank at Elizabeth, New Jersey - - -	20,000 00	16,796 00	3,204 00
	19	Girard Bank, Philadelphia, Pennsylvania - -	249,924 35	159,866 98	90,057 37
	19	Moyamensing Bank, Philadelphia, Pennsylvania -	5,521 57	–	5,521 57
July	31	Bank of Delaware, at Wilmington, Delaware - -	2,906 67	2,906 67	
August	19	Union Bank of Maryland, Baltimore, Maryland - -	219,283 06	86,336 28	132,946 78
	26	Franklin Bank, Baltimore, Maryland - - -	60,915 19	42,280 03	18,670 16
	28	Bank of the Metropolis, District of Columbia - -	2,162 83	2,153 79	9 04
	26	Bank of Virginia, Richmond, Virginia - - -	72,426 98	231 50	72,195 48
	19	Branch Bank of Virginia, at Norfolk, Virginia - -	174,905 76	11,565 36	163,340 40
	21	Farmers' Bank of Virginia, at Richmond, Virginia -	148,467 35	46,179 03	102,288 32
July	29	Farmers' Bank of Virginia, at Winchester, Virginia -	7,336 88	7,336 88	
August	19	Bank of the State of North Carolina, Raleigh, N. C. -	146,030 12	59,610 00	86,420 12

TREASURER'S WEEKLY STATEMENT—Continued.

Date of bank returns.	In what banks.	On deposite. By last returns.	Warrants heretofore drawn, but not yet paid, though payable.	Subject to draft, exclusive of transfers, not entered by banks.
August 19	Planters and Mechanics' Bank, Charleston, S. Carolina -	$50,646 78	$50,404 74	$242 04
21	Bank of Charleston, Charleston, South Carolina -	60,943 23	61,737 12	
19	Planters' Bank of Georgia, Savannah, Georgia - -	130,065 17	75,395 65	54,669 52
12	Bank of Augusta, Georgia - - - -	37,169 52	37,169 52	
12	Insurance Bank of Columbus, at Columbus, Georgia -	5,035 00	5,035 00	
12	Branch Bank of Alabama, Mobile, Alabama - -	1,020,856 26	213,932 59	806,923 67
July 22	Union Bank of Louisiana and branches, New Orleans, La.	586,066 05	54,995 16	531,070 89
August 5	Commercial Bank, New Orleans, Louisiana - -	863,956 98	234,178 45	629,778 53
July 31	Planters' Bank of Mississippi and branches, Natchez, Miss.	895,308 67	37,716 08	857,592 59
August 5	Agricultural Bank and branches, Natchez, Mississippi -	849,065 04	170,595 00	678,470 04
12	Union Bank of Tennessee, Nashville - - -	242,885 61	213,897 95	28,987 66
12	Planters' Bank and branches, Nashville, Tennessee -	271,630 87	223,459 34	48,171 53
19	Bank of Kentucky and branches, Louisville, Kentucky -	601,112 17	69,151 26	531,960 91
19	Louisville Savings Institution, Kentucky - -	85,463 34	6,750 00	78,713 34
19	Northern Bank of Kentucky, Louisville, Kentucky -	105,231 45	—	105,231 45
19	Northern Bank of Kentucky, Lexington, Kentucky -	51,439 82	60,000 00	
19	Clinton Bank of Columbus, Ohio - - -	419 73	389 73	30 00
19	Franklin Bank of Columbus, Ohio - - -	52,631 83	16,110 27	36,521 56
19	Bank of Chillicothe, Ohio - - - -	198,882 00	142,500 00	56,382 00
19	Franklin Bank, Cincinnati, Ohio - - -	403,103 18	33,000 00	370,103 18
19	Commercial Bank, Cincinnati, Ohio - - -	347,941 54	44,590 07	303,351 47
5	Agency of Com. Bank of Cincinnati at St. Louis, Missouri	589,327 63	257,204 10	332,123 53
19	Bank of Wooster, Ohio - - - -	44,221 05	27,250 00	16,971 05

19	Commercial Bank of Lake Erie at Cleaveland, Ohio -	60,682 75	–	60,682 75
21	Bank of Cleaveland, Cleaveland, Ohio - - -	20,097 42	13,211 52	6,885 90
12	Branch of State Bank of Indiana, Indianapolis, Indiana	11,757 97	630 92	11,127 05
19	Branch of State Bank of Indiana at Madison, Indiana -	139,375 87	–	139,375 87
19	Branch of State Bank of Indiana at New Albany, Indiana	249,202 33	–	249,202 33
12	Branch of State Bank of Indiana at Lawrenceburg, Indiana	322,793 46	634 08	322,159 38
19	Branch of State Bank of Indiana at Richmond, Indiana -	20,000 00	–	20,000 00
5	Illinois Bank at Shawneetown, Illinois - - -	39,795 90	870 60	38,925 30
12	Bank of Michigan, Detroit, Michigan - - -	621,993 22	204,535 00	417,458 22
19	Farmers and Mechanics' Bank of Detroit, Michigan -	376,057 62	44,710 00	331,347 62
26	Mint, to procure metal for coining - - -	835,875 00	2,000 00	833,875 00
		13,253,916 32	3,877,468 19	(*a*) 9,420,644 04

(*a*) In consequence of outstanding transfer drafts between banks not yet entered upon those returns, there is a difference between this sum and the true amount, which is $9,332,068 13. Deducting the amount of State transfers for the third instalment issued in favor of the States and unpaid, which is $1,165,575 28, there remains in the banks, subject to draft, the sum of $8,166,492 85.

TREASURER'S OFFICE, *August* 30, 1837.

JOHN CAMPBELL.

S.

TREASURY DEPARTMENT,
May 24, 1837.

To the PRESIDENT OF THE UNITED STATES.

SIR: In consequence of the recent suspension of specie payments by most of the banks in which the disbursing officers of the Government made their deposites of public money, the undersigned has deemed it proper to take the opinion of the Attorney General on the effect of that measure upon those deposites; and, in consequence thereof, submits the following recommendations to the President:

1st. That all those officers be instructed, by the several departments to which they belong, to make their subsequent deposites in those banks only which pay specie, if such can conveniently be resorted to for that purpose.

2d. That, in the event of there being none such, they are to be instructed to deposite in those banks which are willing to give, and do give, such written obligation as the nearest district attorney of the United States may deem sufficient and safe to secure the return of the deposites punctually, when wanted, in such kind of money as was placed in said banks; and

3d. That the existing deposites of those officers, whenever not now in such banks, and not soon expended, be withdrawn, and placed within them as far as practicable.

Respectfully, yours,
LEVI WOODBURY,
Secretary of the Treasury.

Approved: M. VAN BUREN, *President.*

Let a copy of the above be sent to each department.
M. VAN BUREN, *President.*

T.

Circular to collectors of the customs and receivers of public moneys.

TREASURY DEPARTMENT,
May 17, 1837.

SIR: You will receive, enclosed, the blank form in which the Treasurer of the United States will, hereafter, issue his drafts in convenient sums for payments to the creditors of the Government, and for advances made, in pursuance of law, to disbursing officers, with the signatures of the Treasurer and Register written on its face, for information as to their handwriting.

The warrants on which these drafts may be issued will be retained in the possession of the Treasurer; and the drafts will be directed for payment, either to a cashier of a bank, a collector of the customs, or a receiver of public moneys, as the convenience of the service may require. For greater safety, notice will be given by the Treasurer to the bank, collector, or receiver, on whom they shall be drawn, stating the date, number, and amount of each draft drawn on them respectively, and also the name of the person or persons in whose favor they issue.

If the drafts on the banks be not seasonably discharged on presentment, the collectors and receivers are requested to redeem them by receiving them in payment for duties or public lands, provided that before they shall be received by any such collector or receiver, a certificate that they have been properly presented to the bank, and not paid, shall be furnished. This certificate will be given on the back of them by the cashier of the bank on which they are drawn; or, on his failure to give such certificate, or his signature not being known or verified to the collector and the receiver, the Treasurer of the United States, on a return of the checks to him, and his being convinced, by any evidence, that the bank declines to pay them in a manner satisfactory to the holder, will himself make a certificate thereon, which will justify the abovenamed officers in taking them up in the manner before described.

The drafts so received by you will immediately be cancelled by a cross with ink, on their face, and a hole cut through the centre of them. Retaining a schedule of the numbers and amount of each, you will then transmit them, weekly, to the Treasurer of the United States; and the officers by whom they were taken up will, on their receipt by the Treasurer, obtain credits in their accounts with the United States for the amount of such as are correct. You will also return to him, weekly, a statement of the gross amount of checks taken up, and of the gross amount of money on hand.

The banks on which these checks are drawn, if paying them, will be expected to act in a similar manner as to cancelling and returning them weekly to the Treasurer.

LEVI WOODBURY,
Secretary of the Treasury.

U.

STATEMENT of the condition of the several deposite banks, according August,

STATES.	Names and location of banks.	Date of return.
MAINE	Maine Bank, at Portland	Aug. 12
	Bank of Cumberland, Portland	14
	Granite Bank, Augusta	July 15
	People's Bank, Bangor	Aug. 15
	York Bank, Saco	12
	Mercantile Bank, Bangor	15
NEW HAMPSHIRE	Commercial Bank, Portsmouth	14
	Merrimack County Bank, Concord	15
	Portsmouth Bank, Portsmouth	12
	New Hampshire Bank, Portsmouth	19
	Piscataqua Bank, Portsmouth	14
	Mechanics' Bank, Concord	15
VERMONT	Bank of Burlington	17
	Bank of Windsor	1
MASSACHUSETTS	Merchants' Bank, Boston	15
	Hancock Bank, Boston	July 15
	Fulton Bank, Boston	May 1
	Franklin Bank, Boston	June 15
	Commonwealth Bank, Boston	Aug. 16
	Phœnix Bank, Charlestown	July 31
CONNECTICUT	Mechanics' Bank, New Haven	Aug. 14
	Farmers and Mechanics' Bank, Hartford	20
	Quinebaug Bank, Norwich	15
RHODE ISLAND	Arcade Bank, Providence	15
	Rhode Island Union Bank, Newport	12
NEW YORK	Lafayette Bank, New York	8
	Seventh Ward Bank, New York	July 24
	Manhattan Company, New York	Aug. 16
	Bank of America, New York	14
	Leather Manufacturers' Bank, New York	July 31
	Mechanics and Farmers' Bank, Albany	Aug. 15
	Mechanics' Bank, New York	15
	Phœnix Bank, New York	16
	Merchants' Bank, New York	11
	Tradesmen's Bank, New York	July 31
	Union Bank, New York	Aug. 19
	Brooklyn Bank, Brooklyn	15
	Bank of Troy, Troy	15
	Merchants' Exchange Bank, New York	1
	National Bank, New York	15
NEW JERSEY	Trenton Banking Company, Trenton	15
	State Bank, at Newark	17
	State Bank, at Elizabethtown	July 31
PENNSYLVANIA	Girard Bank, at Philadelphia	29
	Moyamensing Bank, Philadelphia	Aug. 9
	Merchants and Manufacturers' Bank, Pittsburg	9
DELAWARE	Bank of Delaware, Wilmington	July 1
MARYLAND	Franklin Bank of Baltimore	Aug. 14
	Union Bank of Maryland, Baltimore	21
DISTR'T OF COLUMBIA	Bank of the Metropolis, Washington	15
VIRGINIA	Bank of Virginia and branches	15
	Farmers' Bank of Virginia, Richmond	17
	Branch of ditto, at Winchester	July 15
NORTH CAROLINA	Bank of the State, at Raleigh	22

U.

to returns received at the Treasury Department, on or near the 15*th day of* 1837.

Loans and discounts.	Bills of exchange.	Suspended debt.	Stocks.
$318,100 31	$108,931 00		
353,064 69	74,309 70		
94,221 55	41,076 67		
85,894 88	36,017 92	$6,831 31	
136,822 66	–	653 25	
108,802 54	18,858 30		
257,275 26	7,766 89		
134,396 83	–	570 41	
114,051 50	7,699 63		
163,984 47	2,853 47	9,488 81	$8,919 47
494,992 93	181,178 39	22,599 16	4,200 00
115,094 73	–	16,985 00	
138,323 67	93,885 33	8,971 56	
126,795 33	4,200 00		
1,439,586 01	783,825 34		
953,008 09	32,754 62	11,813 00	
762,851 87	110,320 81		
289,608 13			
1,002,788 04	14,800 00	12,000 00	
443,946 51	15,308 96		
256,079 60	87,600 15	–	210,000 00
378,307 27	159,205 33	39,030 00	
486,432 11	57,133 91	32,600 04	37,700 00
364,811 39	86,700 15	11,100 00	
140,256 63	23,735 49	2,139 31	26,190 00
866,591 47			
842,186 49			
3,820,523 05	212,315 48		
3,755,922 75	196,500 00	110,789 28	15,000 00
1,185,104 63			
733,408 56	204,260 22		
3,666,808 89	–	1,207,190 37	
2,234,180 97			
3,409,596 00	–	121,182 00	
807,114 55	–	8,975 36	
2,296,696 85	–	51,611 62	
287,597 45	–	110,483 64	
939,660 64	–	–	54,544 41
1,576,541 07	–	791 86	
1,246,270 02	–	35,571 27	
441,952 00	–	9,839 00	25,820 00
397,852 66	–	24,308 97	140 00
272,603 27	22,650 00	722 70	
6,628,950 28	481,207 89	108,328 99	534,210 35
452,854 86	–	1,151 26	
1,247,524 99	378,321 13	5,352 04	
301,910 34	–	6,385 98	81,335 17
954,086 31	132,754 33	9,674 04	198,991 43
2,254,194 76	407,864 78	162,315 56	759,472 72
1,125,577 65	187,825 15	12,383 03	16,800 00
5,689,162 26	872,940 67	1,202,865 84	368,181 56
1,804,455 34	360,749 77	63,097 58	4,900 00
253,505 03	–	135,500 00	
2,381,339 53	311,405 80	309,499 17	

STATEMENT U

STATES.	Names and location of banks.	Date of return.
MAINE	Maine Bank, at Portland	Aug. 12
	Bank of Cumberland, Portland	14
	Granite Bank, Augusta	July 15
	People's Bank, Bangor	Aug. 15
	York Bank, Saco	12
	Mercantile Bank, Bangor	15
NEW HAMPSHIRE	Commercial Bank, Portsmouth	14
	Merrimack County Bank, Concord	15
	Portsmouth Bank, Portsmouth	12
	New Hampshire Bank, Portsmouth	19
	Piscataqua Bank, Portsmouth	14
	Mechanics' Bank, Concord	15
VERMONT	Bank of Burlington	17
	Bank of Windsor	1
MASSACHUSETTS	Merchants' Bank, Boston	15
	Hancock Bank, Boston	July 15
	Fulton Bank, Boston	May 1
	Franklin Bank, Boston	June 15
	Commonwealth Bank, Boston	Aug. 16
	Phœnix Bank, Charlestown	July 31
CONNECTICUT	Mechanics' Bank, New Haven	Aug. 14
	Farmers and Mechanics' Bank, Hartford	20
	Quinebaug Bank, Norwich	15
RHODE ISLAND	Arcade Bank, Providence	15
	Rhode Island Union Bank, Newport	12
NEW YORK	Lafayette Bank, New York	8
	Seventh Ward Bank, New York	July 24
	Manhattan Company, New York	Aug. 16
	Bank of America, New York	14
	Leather Manufacturers' Bank, New York	July 31
	Mechanics and Farmers' Bank, Albany	Aug. 15
	Mechanics' Bank, New York	15
	Phœnix Bank, New York	16
	Merchants' Bank, New York	11
	Tradesmen's Bank, New York	July 31
	Union Bank, New York	Aug. 19
	Brooklyn Bank, Brooklyn	15
	Bank of Troy, Troy	15
	Merchants' Exchange Bank, New York	1
	National Bank, New York	15
NEW JERSEY	Trenton Banking Company, Trenton	15
	State Bank, at Newark	17
	State Bank, at Elizabethtown	July 31
PENNSYLVANIA	Girard Bank, at Philadelphia	29
	Moyamensing Bank, Philadelphia	Aug. 9
	Merchants and Manufacturers' Bank, Pittsburg	9
DELAWARE	Bank of Delaware, Wilmington	July 1
MARYLAND	Franklin Bank of Baltimore	Aug. 14
	Union Bank of Maryland, Baltimore	21
DISTR'T OF COLUMBIA	Bank of the Metropolis, Washington	15
VIRGINIA	Bank of Virginia and branches	15
	Farmers' Bank of Virginia, Richmond	17
	Branch of ditto, at Winchester	July 15
NORTH CAROLINA	Bank of the State, at Raleigh	22

—Continued.

Real estate.	Other investments.	Expenses.	Balances due from banks.	Notes of other banks on hand.
–	–	$918 32	$33,807 69	$8,889 00
–	–	945 28	4,129 26	24,488 35
$5,882 25	–	–	28,094 53	36,669 00
–	–	597 56	5,698 69	2,063 00
4,427 62	$147 48	255 35	31,118 03	85 00
12,000 00	–	585 08	46,244 41	1,790 00
–	–	3,530 91	101,690 68	16,618 45
4,671 65	–	866 15	55,087 61	4,911 00
5,616 93	–	–	38,749 85	2,705 23
8,979 12	–	37 66	14,413 66	6,835 00
–	–	415 33	38,903 26	5,303 39
1,465 98	10 56	30 50	37,802 76	3,357 00
500 00	–	1,005 83	48,875 20	5,353 28
4,000 00	–	–	17,765 12	5,020 00
110,000 00	–	5,091 91	506,653 46	256,589 00
–	–	2,075 00	54,289 65	200,491 00
–	–	3,593 88	39,649 41	172,726 00
23,873 86	–	89 32	42,570 64	2,250 88
–	–	9,273 00	238,000 00	280,090 23
5,000 00	–	2,425 83	21,145 36	10,387 00
8,625 17	47,578 21	–	15,903 59	8,383 00
14,769 41	13,959 84	1,920 94	43,987 09	16,780 00
12,937 17	3,107 47	805 98	25,969 04	4,281 11
–	–	188 06	50,156 29	9,470 00
18,798 66	–	4 64	23,907 48	1,718 00
8,700 00	5,416 67	2,799 27	65,416 62	35,735 41
6,105 00	18,227 10	6,625 75	170,622 31	38,910 84
390,534 48	417,270 46	–	975,836 45	438,843 17
113,467 19	2,696,185 71	4,544 91	1,264,143 19	343,532 89
–	16,961 54	–	447,445 84	271,296 19
20,000 00	303,709 13	622 85	161,309 63	51,798 00
71,569 90	54,727 54	24,422 28	952,613 00	342,063 00
63,542 45	84,340 08	6,149 06	1,845,521 14	370,700 25
44,207 00	35,479 00	5,226 00	2,699,870 00	846,179 00
24,000 00	11,000 00	497 67	97,434 80	39,580 50
32,106 10	29,347 22	6,081 78	508,337 31	399,769 75
11,265 10	4,175 00	5,570 74	–	21,452 70
12,000 00	13,200 00	300 15	45,143 86	47,572 30
20,376 18	19,941 78	1,428 02	378,202 12	454,520 35
29,637 67	20,634 06	5,456 35	677,034 22	159,938 68
5,141 00	–	–	32,221 00	31,918 00
10,075 67	–	1,254 01	60,493 05	57,491 32
14,776 00	–	1,494 23	24,543 99	6,220 00
–	676,654 79	7,425 36	1,138,620 48	264,914 14
16,172 00	–	3,131 82	50,251 16	39,085 00
–	–	4,708 72	565,615 64	192,124 00
27,723 64	–	351 00	27,606 88	7,326 19
42,874 93	6,665 42	7,281 60	114,225 40	160,636 96
152,366 95	27,850 12	2,856 49	400,699 05	281,398 89
27,028 84	3,170 17	659 05	179,599 00	172,569 57
303,565 25	399,710 69	9,780 85	687,898 70	134,020 06
91,330 81	236,449 82	1,520 07	26,206 46	99,486 73
22,490 18	–	–	63,503 15	15,733 15
35,311 13	–	3,951 78	308,770 48	78,507 00

STATEMENT U

STATES.	Names and location of banks.	Date of return.
MAINE	Maine Bank, at Portland	Aug. 12
	Bank of Cumberland, Portland	14
	Granite Bank, Augusta	July 15
	People's Bank, Bangor	Aug. 15
	York Bank, Saco	12
	Mercantile Bank, Bangor	15
NEW HAMPSHIRE	Commercial Bank, Portsmouth	14
	Merrimack County Bank, Concord	15
	Portsmouth Bank, Portsmouth	12
	New Hampshire Bank, Portsmouth	19
	Piscataqua Bank, Portsmouth	14
	Mechanics' Bank, Concord	15
VERMONT	Bank of Burlington	17
	Bank of Windsor	1
MASSACHUSETTS	Merchants' Bank, Boston	15
	Hancock Bank, Boston	July 15
	Fulton Bank, Boston	May 1
	Franklin Bank, Boston	June 15
	Commonwealth Bank, Boston	Aug. 16
	Phœnix Bank, Charlestown	July 31
CONNECTICUT	Mechanics' Bank, New Haven	Aug. 14
	Farmers and Mechanics' Bank, Hartford	20
	Quinebaug Bank, Norwich	15
RHODE ISLAND	Arcade Bank, Providence,	15
	Rhode Island Union Bank, Newport	12
NEW YORK	Lafayette Bank, New York	8
	Seventh Ward Bank, New York	July 24
	Manhattan Company, New York	Aug. 16
	Bank of America, New York	14
	Leather Manufacturers' Bank, New York	July 31
	Mechanics and Farmers' Bank, Albany	Aug. 15
	Mechanics' Bank, New York	15
	Phœnix Bank, New York	16
	Merchants' Bank, New York	11
	Tradesmen's Bank, New York	July 31
	Union Bank, New York	Aug. 19
	Brooklyn Bank, Brooklyn	15
	Bank of Troy, Troy	15
	Merchants' Exchange Bank, New York	1
	National Bank, New York	15
NEW JERSEY	Trenton Banking Company, Trenton	15
	State Bank, at Newark	17
	State Bank, at Elizabethtown	July 31
PENNSYLVANIA	Girard Bank, at Philadelphia	29
	Moyamensing Bank, Philadelphia	Aug. 9
	Merchants and Manufacturers' Bank, Pittsburg	9
DELAWARE	Bank of Delaware, Wilmington	July 1
MARYLAND	Franklin Bank of Baltimore	Aug. 14
	Union Bank of Maryland, Baltimore	21
DISTR'T OF COLUMBIA	Bank of the Metropolis, Washington	15
VIRGINIA	Bank of Virginia and branches	15
	Farmers' Bank of Virginia, Richmond	17
	Branch of ditto, at Winchester	July 15
NORTH CAROLINA	Bank of the State, at Raleigh	22

—Continued.

Specie on hand.	Circulation.	DEPOSITES.		
		Treasurer of the United States.	Public officers.	All other depositors.
$18,476 31	$28,417 00	$54,366 16	$17,163 96	$60,168 46
30,688 33	107,680 00	29,949 15	–	53,279 33
16,091 65	47,600 00	3,420 00	–	69,532 33
12,516 36	11,418 00	20,537 97	–	4,216 11
12,907 12	44,076 00	82 42	–	35,548 13
12,625 29	54,520 00	18,318 08	15,168 68	4,902 42
12,773 48	80,738 00	28,797 81	45,842 73	50,608 29
8,443 26	19,459 00	23,732 00	47,681 63	4,143 34
7,697 97	35,438 00	8,814 50	–	28,299 85
8,012 07	40,658 00	7,848 54	–	26,821 78
32,521 61	118,984 00	22,578 46	–	28,779 28
7,850 82	49,948 00	22,275 00	–	9,916 26
22,291 95	92,225 00	85 49	36,760 16	21,597 62
12,970 09	46,773 00	503 15	28,606 13	1,558 09
163,078 11	211,272 00	26,820 75	45,857 45	162,434 16
14,362 50	131,752 00	4,884 49	71,090 65	362,126 81
60,052 25	118,489 00	172,155 68	–	223,730 80
38,053 76	102,871 50	54,000 00	–	71,652 96
40,172 98	203,965 00	24,920 98	100,985 65	483,053 50
8,099 62	83,164 00	–	11,612 93	93,199 13
35,170 40	62,345 00	21,855 07	3,444 00	58,652 38
29,450 87	42,802 00	–	108,895 18	58,293 97
8,003 68	55,570 00	12,784 11	–	43,679 55
40,295 71	42,980 00	1,616 25	43,942 41	43,858 75
13,227 82	24,144 00	3,816 81	–	20,571 14
42,919 44	109,480 00	49,000 00	40,000 00	142,999 37
77,569 23	66,765 00	35,508 05	–	235,504 56
209,370 71	426,665 92	239,127 39	131,011 84	2,409,511 72
613,931 68	425,419 00	461,377 16	240,434 02	1,203,545 88
78,628 07	139,265 00	72,089 29	–	560,639 34
70,979 07	164,683 00	21,310 28	34,871 84	224,559 69
43,209 00	417,177 00	314,861 42	–	1,796,238 33
151,890 20	382,537 23	8,438 08	–	828,249 10
42,616 00	753,987 00	64,566 00	1,773 00	1,361,276 00
33,214 58	40,388 00	36,987 05	–	302,745 04
124,705 80	443,052 38	52,750 93	–	880,705 32
4,920 10	22,256 00	94,616 35	3,003 18	84,742 16
18,264 20	87,184 11	40 00	33,775 51	85,306 88
54,612 73	171,558 00	28,528 21	–	487,571 44
76,933 37	285,555 00	22,734 12	6,000 00	775,136 59
37,910 00	124,355 00	29,756 00	41,761 00	49,050 00
44,854 79	38,595 00	55,750 42	7,745 94	50,822 78
18,651 40	36,566 00	25,000 00	–	42,970 28
230,714 36	777,474 69	319,183 75	659,841 89	441,038 87
59,622 91	92,930 00	5,521 57	80,712 56	105,121 24
177,564 90	477,400 00	–	145,708 25	433,743 92
26,111 88	141,736 50	34,815 50	–	92,492 98
63,428 20	250,947 00	97,092 03	29,597 65	320,617 20
75,708 75	237,640 00	219,283 06	79,261 23	1,241,035 70
44,418 49	364,920 26	2,132 96	481,599 28	152,062 64
426,429 76	2,812,088 31	395,066 64	162,246 82	1,393,541 06
155,198 45	516,711 00	148,467 35	–	433,628 85
15,157 16	225,270 00	7,386 88	6,918 00	13,181 04
509,477 63	1,291,550 00	168,548 12	25,316 82	585,210 53

STATEMENT U

STATES.	Names and location of banks.	Date of return.
MAINE	Maine Bank, at Portland	Aug. 12
	Bank of Cumberland, Portland	14
	Granite Bank, Augusta	July 15
	People's Bank, Bangor	Aug. 15
	York Bank, Saco	12
	Mercantile Bank, Bangor	15
NEW HAMPSHIRE	Commercial Bank, Portsmouth	14
	Merrimack County Bank, Concord	15
	Portsmouth Bank, Portsmouth	12
	New Hampshire Bank, Portsmouth	19
	Piscataqua Bank, Portsmouth	14
	Mechanics' Bank, Concord	15
VERMONT	Bank of Burlington	17
	Bank of Windsor	1
MASSACHUSETTS	Merchants' Bank, Boston	15
	Hancock Bank, Boston	July 15
	Fulton Bank, Boston	May 1
	Franklin Bank, Boston	June 15
	Commonwealth Bank, Boston	Aug. 16
	Phœnix Bank, Charlestown	July 31
CONNECTICUT	Mechanics' Bank, New Haven	Aug. 14
	Farmers and Mechanics' Bank, Hartford	20
	Quinebaug Bank, Norwich	15
RHODE ISLAND	Arcade Bank, Providence	15
	Rhode Island Union Bank, Newport	12
NEW YORK	Lafayette Bank, New York	8
	Seventh Ward Bank, New York	July 24
	Manhattan Company, New York	Aug. 16
	Bank of America, New York	14
	Leather Manufacturers' Bank, New York	July 31
	Mechanics and Farmers' Bank, Albany	Aug. 15
	Mechanics' Bank, New York	15
	Phœnix Bank, New York	16
	Merchants' Bank, New York	11
	Tradesmen's Bank, New York	July 31
	Union Bank, New York	Aug. 19
	Brooklyn Bank, Brooklyn	15
	Bank of Troy, Troy	15
	Merchants' Exchange Bank, New York	1
	National Bank, New York	15
NEW JERSEY	Trenton Banking Company, Trenton	15
	State Bank, at Newark	17
	State Bank, at Elizabethtown	July 31
PENNSYLVANIA	Girard Bank, at Philadelphia	29
	Moyamensing Bank, Philadelphia	Aug. 9
	Merchants and Manufacturers' Bank, Pittsburg	9
DELAWARE	Bank of Delaware, Wilmington	July 1
MARYLAND	Franklin Bank of Baltimore	Aug. 14
	Union Bank of Maryland, Baltimore	21
DIST'RT OF COLUMBIA	Bank of the Metropolis, Washington	15
VIRGINIA	Bank of Virginia and branches	15
	Farmers' Bank of Virginia	17
	Branch of ditto, at Winchester	July 15
NORTH CAROLINA	Bank of the State, at Raleigh	22

—Continued.

Balances due to banks.	Other liabilities.	Capital stock.	Contingent fund.	Profit and loss, discount and interest.
$7,722 75	-	$305,000 00	-	$16,284 30
2,506 00	$35,653 62	250,000 00	-	8,557 51
6 37	-	100,000 00	-	1,476 95
-	8,979 56	100,000 00	-	4,468 08
-	-	100,000 00	-	6,709 96
5,446 11	-	100,000 00	-	2,550 33
119 96	9,620 00	150,000 00	$20,000 00	13,928 88
-	-	100,000 00	-	13,930 94
-	-	100,000 00	3,056 84	911 92
-	-	147,500 00	-	695 41
8,371 67	270,165 84	300,000 00	25,214 93	6,019 89
-	-	100,000 00	-	458 09
-	-	150,000 00	6,000 00	12,538 55
-	-	80,000 00	-	13,310 17
1,102,918 93	-	1,500,000 00	151,028 25	64,492 29
168,413 10	-	500,000 00	14,500 00	16,026 81
131,054 86	-	500,000 00	1,385 71	2,378 17
17,252 87	-	150,000 00	367 20	302 06
265,000 00	-	500,000 00	10,270 83	8,928 29
-	-	300,000 00	-	18,337 22
34,167 83	-	473,050 00	13,554 35	2,271 49
4,428 16	-	465,100 00	5,625 00	12,266 44
12,758 28	35,000 00	500,000 00	-	9,178 57
23,131 42	-	400,000 00	-	7,192 77
806 31	-	200,000 00	-	639 77
66,039 01	73,750 00	500,000 00	-	46,310 50
133,671 64	67,372 02	500,000 00	-	121,425 45
670,554 11	520,979 05	2,050,000 00	-	16,843 77
969,563 15	2,398,876 10	3,001,200 00	-	413,602 29
440,588 75	90,311 10	600,000 00	-	96,542 79
288,390 70	179,576 18	442,000 00	-	190,695 77
1,139,451 00	13,629 69	2,000,000 00	-	681,246 54
1,564,759 29	144,932 72	1,500,000 00	293,960 35	33,447 38
3,013,623 00	103,125 00	1,490,000 00	375,399 00	40,606 00
110,315 53	-	400,000 00	-	131,381 84
775,254 16	75,000 00	1,000,000 00	-	221,893 64
8,687 40	254 57	200,000 00	-	31,905 07
210,557 34	160,000 00	440,000 00	-	113,821 72
894,232 31	41,423 09	750,000 00	-	133,101 06
170,759 24	100,000 00	750,000 00	-	141,290 69
30,715 00	-	210,000 00	-	99,164 00
23,236 58	-	400,000 00	-	20,319 75
20,200 88	-	200,000 00	-	36,924 43
1,617,174 21	859,022 62	5,000,000 00	189,504 96	207,785 65
71,343 41	627 72	250,000 00	-	16,012 51
304,227 10	502,263 13	600,000 00	-	107,869 02
7,869 23	588 90	110,000 00	-	91,247 97
331,168 46	-	624,550 00	17,472 95	19,173 33
601,273 93	1,845 00	1,845,562 50	50,000 00	248,826 65
187,269 00	-	500,000 00	-	82,046 81
393,308 77	1,042,220 17	3,240,000 00	590,387 40	65,696 47
127,861 60	756,358 17	475,000 00	369,771 79	15,596 27
14,656 80	-	237,500 00	-	975 95
158,362 99	-	1,500,000 00	-	209,274 06

STATEMENT U

STATES.	Names and location of banks.	Date of return.
SOUTH CAROLINA -	Planters and Mechanics' Bank of S. C., Charleston	Aug. 11
	Bank of Charleston, Charleston - - -	15
GEORGIA - - -	Bank of Augusta - - - - -	8
	Planters' Bank of the State, Savannah - -	8
ALABAMA - -	Branch of the Bank of the State, Mobile - -	7
MISSISSIPPI - -	Planters' Bank of the State, Natchez - -	3
	Agricultural Bank of the State, Natchez - -	July 31
LOUISIANA - -	Commercial Bank of, New Orleans - -	29
	Union Bank of Louisiana - - - -	31
TENNESSEE - -	Union Bank of the State and branches - -	Aug. 5
	Planters' Bank of the State and branches -	16
KENTUCKY - -	Bank of Kentucky, Louisville - - -	15
	Savings Institution, Louisville - - -	16
	Northern Bank of Kentucky, Lexington - -	7
	Branch of ditto, Louisville - - - -	14
	Branch of ditto, Paris - - - -	17
	Branch of ditto, Richmond - - -	7
	Branch of ditto, Covington - - -	7
OHIO - - -	Franklin Bank of Columbus - - -	9
	Clinton Bank of Columbus - - -	19
	Franklin Bank of Cincinnati - - -	19
	Commercial Bank of Cincinnati - - -	16
	Agency of ditto, at St. Louis - - -	July 31
	Commercial Bank of Lake Erie, Cleaveland -	Aug. 15
	Bank of Chillicothe - - - -	14
	Bank of Cleaveland - - - -	16
	Bank of Wooster - - - - -	15
INDIANA - - -	State Bank of Indiana - - - -	July 22
ILLINOIS - - -	Bank of the State, at Shawneetown - -	Aug. 5
MICHIGAN - -	Bank of the State, at Detroit - - -	18
	Farmers and Mechanics' Bank of Michigan -	15
NEW YORK - -	Dry Dock Company, New York - - -	May 1
DELAWARE - -	Bank of Wilmington & Brandywine, Wilmington	June 15
GEORGIA - - -	Insurance Bank of Columbus - - -	Aug. 17
MISSOURI - - -	*Bank of the State of Missouri - - -	July 7

* New selection.

—Continued.

Loans and discounts.	Bills of exchange.	Suspended debt.	Stocks.
$1,844,461 67	$14,901 31	$172,482 86	$282,350 45
2,680,569 39	666,612 59	343,798 37	2,500 00
1,049,841 88	172,174 88	255,768 29	87,960 00
783,845 41	88,496 02	135,284 92	
2,994,434 16	517,967 28	1,387,313 63	
5,165,435 39	1,086,896 41	2,672,343 14	125,900 00
4,000,776 86	934,417 74	682,700 90	
3,636,746 53	406,876 53	443,599 45	68,300 00
7,643,349 33	905,268 92	1,068,205 29	
3,489,644 53	1,023,679 70	604,010 59	
3,346,083 59	1,245,062 69	20,008 90	
2,113,585 53	694,871 21	28,223 87	1,120,000 00
172,531 72	13,385 73	17,150 00	
1,078,097 07	157,576 45	13,525 00	446,000 00
501,688 68	98,385 19	114,850 72	345,000 00
378,584 76	4,211 16	4,900 00	90,000 00
150,934 58	1,357 37	–	50,000 00
267,002 90	47,315 04	–	75,000 00
634,416 68			
370,667 03			
1,086,222 47	560,410 56	22,035 27	47,000 00
929,315 29	966,048 74	28,477 69	
23,443 37	335,661 48	47,293 87	
659,632 54	116,577 73	15,281 82	
4,278 36	331,531 46	112,146 00	191,082 74
435,144 99	52,750 59	5,775 00	
264,941 00	91,349 46	44,725 65	
2,844,369 57	794,637 06	125,608 50	
243,318 31	15,444 76		
942,273 12	435,565 96	16,946 20	
535,722 66	223,715 65		
1,255,880 61	–	10,588 90	
186,802 17	–	–	47,359 85
249,172 40	15,500 00	117,200 41	
112,902,662 67	17,694,530 28	12,383,046 65	5,324,858 15
535,874 14	14,632 62		

STATEMENT U

STATES.	Names and location of banks.	Date of return.
SOUTH CAROLINA -	Planters and Mechanics' Bank of S. C., Charleston	Aug. 11
	Bank of Charleston, Charleston - - -	15
GEORGIA - - -	Bank of Augusta - - - - -	8
	Planters' Bank of the State, Savannah - -	8
ALABAMA - -	Branch of the Bank of the State, Mobile - -	7
MISSISSIPPI - -	Planters' Bank of the State, Natchez - -	3
	Agricultural Bank of the State, Natchez - -	July 31
LOUISIANA - -	Commercial Bank of, New Orleans - -	29
	Union Bank of Louisiana - - - -	31
TENNESSEE - -	Union Bank of the State and branches - -	Aug. 5
	Planters' Bank of the State and branches -	16
KENTUCKY - -	Bank of Kentucky, Louisville - - -	15
	Savings Institution, Louisville - - -	16
	Northern Bank of Kentucky, Lexington - -	7
	Branch of ditto, Louisville - - -	14
	Branch of ditto, Paris - - - -	17
	Branch of ditto, Richmond - - -	7
	Branch of ditto, Covington - - -	7
OHIO - - -	Franklin Bank of Columbus - - -	9
	Clinton Bank of Columbus - - -	19
	Franklin Bank of Cincinnati - - -	19
	Commercial Bank of Cincinnati - - -	16
	Agency of ditto, at St. Louis - - -	July 31
	Commercial Bank of Lake Erie, Cleaveland -	Aug. 15
	Bank of Chillicothe - - - -	14
	Bank of Cleaveland - - - -	16
	Bank of Wooster - - - - -	15
INDIANA - - -	State Bank of Indiana - - - -	July 22
ILLINOIS - - -	Bank of the State, at Shawneetown - -	Aug. 5
MICHIGAN - -	Bank of the State, at Detroit - - -	18
	Farmers and Mechanics' Bank of Michigan -	15
NEW YORK - -	Dry Dock Company, New York - - -	May 1
DELAWARE - -	Bank of Wilmington & Brandywine, Wilmington	June 15
GEORGIA - - -	Insurance Bank of Columbus - - -	Aug. 17
MISSOURI - - -	*Bank of the State of Missouri - - -	July 7

* New selection.

—Continued.

Real estate.	Other investments.	Expenses.	Balances due from banks.	Notes of other banks on hand.
$20,000 00	$26,205 65	$1,056 75	$118,584 25	$68,763 00
30,000 00	75,608 23	1,674 75	472,492 46	57,483 00
38,000 00	32,330 37	4,583 57	168,745 81	214,125 50
11,000 00	58,268 44	2,692 07	182,831 61	136,820 00
80,089 25	2,790,626 94	41,013 26	407,599 25	62,777 96
195,038 14	12,948 85	9,205 61	23,613 17	200,856 35
37,493 00	16,659 01	2,273 85	71,101 63	65,424 56
150,689 16	700,121 15	7,591 93	379,310 72	136,553 34
148,845 08	2,108,878 52	26,669 04	781,454 92	246,217 00
42,839 88	–	2,340 22	422,338 06	171,550 25
26,223 20	–	4,812 48	639,619 64	184,065 00
28,341 77	2,203,739 22	1,876 16	852,396 65	232,443 32
10,000 00	–	342 83	44,879 32	47,560 00
50,000 00	369,470 41	1,948 68	266,165 03	139,780 00
16,500 55	3,920 98	1,266 44	166,297 57	59,580 00
2,395 02	95 59	307 62	23,668 59	18,680 00
–	–	328 33	1,244 75	8,090 00
5,000 00	1,542 84	459 61	12,290 56	5,818 00
11,786 91	360 37	1,488 07	121,772 23	32,845 23
8,189 25	–	527 99	11,726 20	47,075 43
37,000 00	75,800 00	732 53	40,465 19	47,046 00
34,426 80	406,954 87	483 92	913,058 93	97,913 00
–	2,335 99	8,490 37	284,930 85	10,500 00
3,928 42	–	2,218 66	165,355 22	41,653 00
13,874 76	–	276 95	215,777 53	71,396 61
984 84	–	61 50	57,693 11	23,246 00
–	53 21	71 49	13,749 14	26,091 00
72,821 87	395,361 29	5,479 55	1,158,388 24	329,095 86
975 00	–	29 25	41,727 93	45,450 00
20,841 25	–	–	292,937 85	9,845 00
14,263 20	3,896 90	635 43	345,636 29	7,356 35
246,026 09	2,399 16	6,261 83	127,631 63	81,661 01
11,620 00	–	1,048 67	7,743 54	3,849 60
13,500 00	2,907 93	3,582 63	344,070 34	159,909 00
3,214,726 48	14,436,405 78	290,628 38	24,683,001 37	9,545,429 33
1,300 00	18,224 65	2,507 82	4,182 38	408,510 00

STATEMENT U

STATES.	Names and location of banks.	Date of return.
SOUTH CAROLINA -	Planters and Mechanics' Bank of S. C., Charleston	Aug. 11
	Bank of Charleston, Charleston - - -	15
GEORGIA - - -	Bank of Augusta - - - - -	8
	Planters' Bank of the State, Savannah - -	8
ALABAMA - -	Branch of the Bank of the State, Mobile - -	7
MISSISSIPPI - -	Planters' Bank of the State, Natchez - -	3
	Agricultural Bank of the State, Natchez - -	July 31
LOUISIANA - -	Commercial Bank of, New Orleans - -	29
	Union Bank of Louisiana - - - -	31
TENNESSEE - -	Union Bank of the State and branches - -	Aug. 5
	Planters' Bank of the State and branches -	16
KENTUCKY - -	Bank of Kentucky, Louisville - - -	15
	Savings Institution, Louisville - - -	16
	Northern Bank of Kentucky, Lexington - -	7
	Branch of ditto, Louisville - - -	14
	Branch of ditto, Paris - - - -	17
	Branch of ditto, Richmond - - -	7
	Branch of ditto, Covington - - -	7
OHIO - - -	Franklin Bank of Columbus - - -	9
	Clinton Bank of Columbus - - -	19
	Franklin Bank of Cincinnati - - -	19
	Commercial Bank of Cincinnati - - -	16
	Agency of ditto, at St. Louis - - -	July 31
	Commercial Bank of Lake Erie, Cleaveland -	Aug. 15
	Bank of Chillicothe - - - -	14
	Bank of Cleaveland - - - -	16
	Bank of Wooster - - - - -	15
INDIANA - - -	State Bank of Indiana - - - -	July 22
ILLINOIS - - -	Bank of the State, at Shawneetown - -	Aug. 5
MICHIGAN - -	Bank of the State, at Detroit - - -	18
	Farmers and Mechanics' Bank of Michigan -	15
NEW YORK - -	Dry Dock Company - - - -	May 1
DELAWARE - -	Bank of Wilmington & Brandywine, Wilmington	June 15
GEORGIA - - -	Insurance Bank of Columbus - - -	Aug. 17
MISSOURI - - -	*Bank of the State of Missouri - - -	July 7

* New selection.

—Continued.

Specie on hand.	Circulation.	DEPOSITES.		
		Treasurer of the United States.	Public officers.	All other depositors.
$244,637 21	$731,325 00	$50,404 74	$138,576 59	$308,693 61
241,045 73	1,112,485 00	60,943 23	2,931 50	722,544 79
201,281 08	604,138 96	37,169 52	20,696 83	138,199 02
293,550 59	260,142 00	66,565 17	134,224 90	202,726 59
138,610 55	1,855,230 00	950,956 26	174,944 45	1,560,826 67
303,228 46	1,521,761 88	895,308 67	28,235 71	535,564 56
68,499 96	1,009,816 00	853,075 04	–	375,428 95
118,305 06	402,339 81	863,956 98	242,176 81	462,974 39
80,577 40	1,305,470 00	593,841 05	223,590 29	1,067,707 02
199,104 39	1,307,481 48	242,997 61	86,937 15	997,417 00
224,125 31	1,323,685 33	136,320 87	389,952 45	1,202,022 06
298,578 67	694,735 00	601,112 17	–	270,400 32
56,488 36	none.	85,463 34	10,132 60	129,324 06
292,500 73	616,500 00	51,439 82	39,893 52	273,674 22
303,944 12	220,840 00	105,231 45	–	33,138 72
122,707 91	153,470 00	–	–	28,163 67
96,167 76	100,795 00	–	–	9,104 37
94,622 79	135,730 00	–	–	19,416 86
255,379 16	291,029 81	52,631 83	58,985 27	112,709 39
100,181 44	119,895 00	419 73	–	75,933 63
180,494 11	276,751 00	403,103 18	20,610 21	169,481 48
564,553 04	969,378 00	347,961 54	60,480 60	261,412 99
7,151 24	none.	589,510 31	20,136 61	
100,790 57	328,017 00	60,682 75	–	149,276 73
148,894 42	293,200 08	198,902 00	–	54,672 77
60,568 98	244,719 00	21,103 42	23,257 45	76,153 19
53,874 02	170,442 00	44,471 65	–	70,746 00
999,894 34	2,476,076 00	901,531 75	8,916 64	530,411 54
158,610 34	64,846 00	39,795 90	–	121,238 80
84,847 07	330,463 00	621,993 22	35,579 41	205,052 01
82,672 42	169,911 00	376,057 62	64,361 49	137,598 39
29,586 08	268,699 80	80,000 00	–	409,221 75
29,999 71	62,273 50	36,000 00	826 11	43,303 49
166,185 71	70,513 00	5,035 00	–	53,233 59
10,580,413 95	32,626,004 55	12,944,666 70	4,574,076 98	29,492,113 25
293,308 72	–	–	386 36	411,289 87

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	Agricultural Bank of the State, Natchez	July 31
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	Savings Institution, Louisville	16
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	Branch of ditto, Louisville	14
	Branch of ditto, Paris	17
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	Branch of ditto, Covington	7
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	Clinton Bank of Columbus	19
	Franklin Bank of Cincinnati	19
	Commercial Bank of Cincinnati	16
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ILLINOIS	Bank of the State, at Shawneetown	Aug. 5
MICHIGAN	Bank of the State, at Detroit	18
	Farmers and Mechanics' Bank of Michigan	15
NEW YORK	Dry Dock Company	May 1
DELAWARE	Bank of Wilmington & Brandywine, Wilmington	June 15
GEORGIA	Insurance Bank of Columbus	Aug. 17
MISSOURI	*Bank of the State of Missouri	July 7

* New selection.

—Continued.

Balances due to banks.	Other liabilities.	Capital stock.	Contingent fund.	Profit and loss, discount and interest.
$341,822 41	-	$1,000,000 00	$203,509 49	$19,111 31
407,463 55	$92,689 83	2,000,000 00	127,899 36	44,827 26
157,552 95	20,906 66	1,200,000 00	-	46,147 44
357,005 25	-	535,400 00	115,794 09	20,931 06
587,146 66	33,494 43	2,300,000 00	577,944 00	379,889 81
619,406 05	898,110 92	4,205,140 00	-	1,091,937 73
830,749 03	380,134 01	2,000,000 00	-	430,144 48
659,225 40	7,624 00	3,000,000 00	-	409,796 48
913,858 67	7,930 98	7,000,000 00	820,000 00	1,077,067 49
365,181 71	18,634 36	2,547,739 00	124,894 03	264,225 28
107,876 58	59,574 41	2,000,000 00	393,127 49	77,441 62
278,638 76	1,004,174 44	4,586,070 76	86,416 60	52,508 35
12,673 71	-	104,188 00	15,628 00	4,928 25
154,376 06	553,142 69	1,035,585 00	51,000 00	39,452 06
572,595 18	-	675,000 00	-	4,628 90
625 10	60,254 31	400,000 00	-	3,037 57
56 50	16,986 96	180,000 00	-	1,179 96
3,932 17	73,365 72	275,000 00	-	1,606 99
24,905 29	-	481,560 00	-	36,227 06
9,598 45	-	300,000 00	27,825 28	4,695 25
76,027 49	9,138 10	1,000,000 00	125,225 93	16,868 74
752,168 96	286,044 78	1,000,000 00	10,000 00	253,785 41
96,052 20	-	none.	-	14,108 05
9,144 12	-	500,000 00	-	58,317 36
6,482 30	-	500,000 00	8,537 69	27,463 99
9,267 16	-	227,545 00	1,913 68	32,266 11
2,226 95	-	195,864 00	7,341 00	3,763 97
640,270 99	-	1,845,000 00	250,666 54	72,782 82
12,580 29	-	257,550 00	-	9,544 60
58,014 99	50,000 00	450,000 00	13,155 87	38,997 95
49,000 71	-	400,000 00	10,000 00	6,969 69
511,922 97	-	420,000 00	-	70,190 79
40,219 91	-	120,000 00	9,355 72	6,444 81
316,610 10	2,567 42	600,000 00	-	24,069 31
25,083,891 46	11,066,348 27	81,628,104 26	5,117,734 33	8,522,763 24
240,251 99	342,249 29	280,252 62	-	4,110 20

V.

TREASURY DEPARTMENT,
July 3, 1837.

SIR: Replies having in most cases been received to my circular, addressed in May last to the cashiers of those deposite banks which had suspended specie payments, I now propose to submit a few remarks to your consideration, growing out of those replies, and out of events which have since transpired in connexion with your relations to the Treasury Department.

1. It affords me much gratification to find, so far as regards the inquiry concerning payment and security, a great willingness expressed to make the United States amply safe for the eventual payment of all that is due, and a strong conviction entertained by the banks that no loss will be ultimately sustained by the Government. But, whenever reasonable doubts on this subject have arisen with the department, steps have been taken to procure additional security, or to withdraw the public funds more rapidly, if possible, than was otherwise intended. And a part of the object of this communication is to apprize you that such will be the course which a sense of duty must require me to continue to pursue, in regard to any bank whose condition may appear doubtful, while the relation of debtor and creditor exists between it and the Treasury.

2. Another portion of that circular communicated information concerning the lenient mode which, under the severe losses experienced by many of the banks from mercantile failures, and under the embarrassments to others, caused by panic and want of confidence, was contemplated to be adopted in recalling the public funds. That mode was by such moderate drafts and transfers as the public necessities should from time to time demand; and an earnest request having been made for a satisfactory compliance with it on the part of the banks, assurances have generally been given of a readiness to answer those calls with promptitude, and in an acceptable manner. But though it is gratifying to add, that in most cases these assurances have since been fulfilled, and something like three millions of dollars of public money have been paid over by the discontinued banks since the 12th of May last, and, in a few instances, all which was on hand; and though about nine millions more are expected to be paid early in July, yet, in some cases, proper efforts and sacrifices do not appear to have been made to discharge their important obligations to the Treasury. In such cases, and especially where the neglect produced serious inconvenience to our fiscal operations, or injury to the public credit, the department has felt compelled, by its responsibility to the Government, to take preparatory measures suitable to obtain indemnity for the past, and enforce those obligations in future. It will feel obliged to adopt such measures hereafter in all similar instances; and though its moderation and lenity have been, and will be, as great as is supposed to be justifiable, they must not be misconstrued into indifference or forgetfulness of what is due as well *from* the banks as *to* the public creditors and the United States.

The location of several of the banks, and the small amount of public money in their possession, will exempt them from many calls at present, and enable them easily to meet such as are made. But the situation of others will, under all just forbearance, render the calls upon them more frequent and imperative, and will require, as it is hoped they will receive, a corres-

pondent exertion to answer them. Such exertion, it is believed, will in the end be far better for all concerned, though accompanied by some temporary sacrifices, than to suffer loss of character, by incurring the imputation of a continued violation of essential duties, and by exposing the Treasury to embarrassment, and the public creditors and officers to severe injury.

The department cannot recognise the right of any former depository to be exempted from paying specie to the public creditor, if insisted on by him; it being due, in both honor and good faith, as well to him as to the Treasury. It is true, that the difficulty of procuring it when wanted has been somewhat enhanced, and this, at the time when demands for it are increased, and the ability of some of the banks is weakened by the failures of some of their customers. But these are obstacles which are by no means insuperable, and which, when occurring, it is the duty, and it is hoped will be the desire, of every bank to make efforts to remove, at any reasonable expense and trouble.

3. The returns of the condition of the selected banks, which were requested to be continued, have generally been made with promptitude and regularity. But while it is very satisfactory to see, in most cases, a reduction in discounts and circulation, and which course is the most efficient to cure one of the existing evils in banking, and to enable the institutions which have suspended specie payments to resume them at an early day, and with much greater safety, it is regretted that, in a few instances, this course has not been adopted. But whenever departed from in such a crisis, the error has tended, and must tend hereafter, to impair the confidence of the department in the sound management of the institution, and to justify such steps as may lead to a more speedy withdrawal of the public money, or to the procurement of increased security.

4. Such a departure, also, is likely to delay the resumption of specie payments, concerning which the views of the former deposite banks were requested in that circular, and have generally been since presented. Without claiming the right to interfere on this subject beyond the deep solicitude and interest felt by the Treasury Department concerning the condition and conduct of all its debtors, and beyond its duty vigilantly to examine into those points when indulgences are sought or granted, the inquiries before mentioned were made on these accounts alone. It has been a matter of regret to find, in most of the explanations on the subject of suspending as well as resuming specie payments, that the action of one bank has been made to depend so exclusively on that of others. The location, losses, liabilities, and means of the banks, were, and still are, very different among themselves, as well as in different quarters of the country. In illustration of this remark, it may be mentioned, that several of them, as in the eastern States in 1814, have actually continued to pay specie, and many others appear to have had ample ability to do it, if more courage, energy, and independence had fortunately been united with their great available means. Since the panic has in some degree subsided, and the opportunity has been enjoyed for lessening balances, discounts, and circulation, and when so much more can be done, in this respect, without causing distress, in consequence of the diminished business of the community, and the smaller demand for money, it is to be lamented that a more general effort has not been made to resume specie payments at the earliest day practicable and safe. It is true, that a few banks very commendably have already resumed, and are in the successful discharge of their plain legal obligations, though

on a reduced scale in business and profits; and that others are efficiently attempting to place themselves in a similar position. But, from the replies to my inquiries, the inclination seems to be too prevalent for the banks in one city, county, State, or large region of country, to postpone the measure till all others in the Union are ready and willing to unite. Their positions, in various respects, are essentially unlike, though in general very strong. The condition of the former deposite banks, as a whole, is believed to be stronger now as to specie compared with circulation, or immediate means to meet immediate liabilities, so as readily to sustain specie payments under ordinary circumstances, than has been the condition of all the banks in the United States at any former period for the last quarter of a century. Their specie, on an average, is about one to three of their circulation, and their immediate means nearly one to two and a half of their immediate liabilities. But, in some large sections of country, the specie is in a ratio quite 30 per cent. greater, while in others it is less. The want of confidence in some places, and the effects of losses in others, and which constitute the only other principal differences in the ability, at different periods, to sustain such payments, have not extended in the same degree to all places, and have already diminished much more in some of them than in others.

It is therefore earnestly hoped that, by prudent and persevering efforts, a resumption of specie payments can be effected at no very remote day, and successfully maintained by many of those institutions indebted to the Treasury. So far as this department has power to encourage such efforts, it has done, and cheerfully will do it, while the existing laws remain unrepealed, by giving a decided preference for holding all kinds of public deposites to such banks as pay specie. But, beyond that, Congress and the States alone can lawfully extend other assistance.

You will more readily excuse my anxiety on this topic, when, besides the reasons before stated, you are assured of the strong conviction entertained by this department that the resumption of specie payments, as soon as it can be accomplished by any reasonable exertions or sacrifices, would not only increase the facilities of our fiscal operations, and much promote the convenience of the public creditors, but tend to remove many reproaches from the banking institutions themselves, and to preserve a strong sense of moral obligation to discharge faithfully, so far as able, every duty imposed by law.

Respectfully, yours,

LEVI WOODBURY,

Secretary of the Treasury.

To the CASHIER *of*