

## REPORT

FROM

## THE SECRETARY OF THE TREASURY,

IN COMPLIANCE

*With a resolution of the Senate, in relation to deposits in the United States Bank of Pennsylvania, and the sale and payment of its bonds.*

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DECEMBER 27, 1838.

Read, and ordered to be printed, and that 5,000 additional copies be furnished for the use of the Senate.

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TREASURY DEPARTMENT,  
December 24, 1838.

SIR: I have the honor to submit this report in compliance with a resolution of the Senate on the 19th instant, a copy of which is annexed.

The resolution calls for information concerning deposits in the United States Bank of Pennsylvania; the sale of its third bond; the payment of its second one; and various other matters supposed to be connected with those subjects.

The transactions between the Treasury and the United States Bank of Pennsylvania, which seem to be the general object of these inquiries, have been as follows:

1st. The sale to that institution of the stock held by the Government in the Bank of the United States in pursuance of a law passed for that purpose; an account of which has been long since laid before Congress.

2d. The receipt of payment from the United States Bank of Pennsylvania for two of its bonds about the time they became due, and which were given for that stock.

3d. Collections made by that bank for the United States, in part payment of their demand against the old Bank of Columbia, from which the Bank of the United States had taken security for itself and for the United States many years ago, and to the performance of which trust the United States Bank of Pennsylvania had succeeded.

4th. The payment by the latter bank to the United States of the sum of \$300,000 in money and \$59,000 in Treasury notes, in behalf of, and at the instance of, the Bank of Kentucky, in discharge for so much of its indebtedness to the United States.

5th. The sale to the United States Bank of Pennsylvania of the third bond due from it to the United States, in execution of the act of the last session authorizing it.

With these exceptions, there have not been dealings of any description between this department and the United States Bank of Pennsylvania, from its establishment to the present day. No collecting or disbursing officer has ever been directed by this department to make any deposit whatever in said bank, nor has any money been placed by the said bank to the credit of the Treasurer of the United States or of this department, or, to my knowledge, of any of its officers, except the avails of the transactions specifically referred to above; and, on the details of which, so far as they relate to the present subject, full information is given in the correspondence and tabular statements annexed.

The sale of the third bond of the United States Bank of Pennsylvania to that institution, concerning which a more special inquiry is made in the resolution, was effected under the following circumstances: Before the passage of the law authorizing it, an application was made to the department by the bank to anticipate the payment of a portion of the debt due from it to the United States, upon certain terms proposed by its agent. This application failed of effect, because the bank was dissatisfied with the conditions as to the kind of currency to be paid, which were prescribed by the department. The correspondence upon that subject is considered to be embraced within the call of the Senate, and is hereto annexed. Apprehending that the resources of the Treasury would not in the then deranged state of the business and currency of the country, with certain imperfections that existed in the laws as to Treasury notes, be sufficient to satisfy the appropriations made by Congress, the President, some months before the adjournment of the last session, specially invited the attention of both Houses to the necessity of further provision for the exigencies of the public service.

An act was afterwards passed, authorizing an issue of new Treasury notes instead of the old ones paid in during the year. It becoming obvious that this measure would not of itself be sufficient under the large appropriations contemplated, a bill was also reported, allowing the sale of the 3d and 4th bonds held by the Government against the bank. The bill as reported and finally passed, contained a restriction limiting the sale to "the par value of the bond sold at the time of sale, calculated according to the rules for estimating the par value of securities upon which interest has run for a time, but which securities have not reached maturity," and it conferred on the department no authority to enter into any guarantee by the United States of the ultimate payment of the bonds. Apprehensive that it would be difficult, if not impossible, to effect a sale of the bonds or of either of them upon these terms, the department, whilst the bill was pending, opened a correspondence to ascertain whether the same could probably be accomplished, if the bill became a law. This correspondence is annexed. The replies strengthened the apprehension before entertained by the department, and the result was communicated to the chairmen of the financial committees of the two Houses before the final action of Congress upon the bill.

But the bill afterwards became a law, without any alteration in the terms, or any guarantee to be given on the part of the United States. The appropriations actually made, having proved to be unusually great, and the expenditures anticipated during the two next ensuing months being much larger in amount than the immediate means which the department could expect to derive in money from other sources within those months, I at once addressed letters to the bankers of the United States at London, and to our

Minister at Paris, requesting that measures might be taken, without delay, to obtain offers for those bonds, if possible, from capitalists in Europe. To these letters answers were received in due season, stating that, from the short time the bonds had to run, the absence of the guarantee of the United States for their eventual payment, and other causes, no sale could probably be effected of them either in London or Paris within the limits fixed by law. In the mean time, however, finding that the demands for the public service during the month of June had exceeded four and a half millions, and expecting, as the fact turned out to be, that they would equal about seven millions in July and August, and finding, also, that the available balance in the Treasury, applicable to general purposes, and subject to draft, fell below \$1,000,000; and that payments were making at times in new Treasury notes, which could not be rendered at all available, I considered it necessary to effect a sale of at least one of the bonds at an earlier day than advices could be received, and any proceeds realized from Europe. Particular inquiry was, therefore, instituted in the city of New York, and elsewhere, concerning the probability of selling soon one or more of the bonds, and also a public advertisement was issued, inviting proposals generally for their purchase.

The result was, that from the abundance of State stocks in the market, at very reduced prices, the lower rate at which other securities of the bank were selling; and the want of a guarantee by the United States, the sale was found, with the exception hereafter stated, to be wholly impracticable in this country, and was expected to be so abroad, under the conditions prescribed in the act. Indeed, no bids were at any time made for either of the bonds, in conformity to those conditions, except that of Charles Macalester, Esq., of Philadelphia, who offered to purchase both of them within the terms of the law. In answer to some other particular inquiries on this point, I would observe, that the purchase money for the bond which was sold, "was placed to the credit of the Treasurer on the books of the bank," the 1st day of August, 1838.

"The terms on which it was negotiated" were at the par value of the bond at that time, computing it under the limitations prescribed in the act of Congress, and the payment was expressly stipulated to be made in specie or its equivalent, and placed to the credit of the Treasurer in special deposit in the Bank of the United States. The department hoping it might be able to get through the year without the sale of more than one bond, provided the second one, due in September, was paid punctually, and in money, rather than new Treasury notes, not reissuable, and, if disappointed in this, that it might soon have a better offer from abroad, concluded the sale unconditionally of only one bond. But it may be proper here to notice the circumstance, that, as no other offer has since been received in this country or Europe, to purchase either of the bonds for cash within the terms of the act, and as it will probably be found necessary to sell the other bond during the present year, embarrassment may arise in effecting the sale within those terms, except to the bank itself, unless Congress authorize the guarantee to be given of its eventual payment. Indeed, it will be perceived, from these remarks and the annexed correspondence, that the authority to make sale of the remaining bond, as limited in the present law, if continued without alteration, will, in effect, as it has done already, amount to a direction to sell the same when necessary to the United States Bank. The likelihood of offers from other quarters to buy it, is no greater now than heretofore.

Inquiry is next made as to the "particulars of any understanding or agreement, that the proceeds of the same should be left in deposit with the said bank, until wanted in the ordinary disbursements of the Government."

Those particulars, as shown in the letters annexed, were, that the bank should, without expense or cost to the United States, hold this money in special deposit to the credit of the Treasurer, till the same was wanted for the public service, and should then pay his various drafts, as presented, without any charge to the Treasury.

The department being deprived of its usual depositories, and the sum being very large, these stipulations were readily assented to. To avoid the payment of the bond that was to fall due on the 1st of October being made in new Treasury notes, not reissuable, nor available in any way to discharge appropriations, and which event was apprehended by the department, the written agreement was made with the bank, which will be found among the documents, stipulating, among other things, for the payment of that bond on drafts to the public creditors, and in specie or its equivalent. This, though collateral to the sale of the other bond, was a part of the same negotiation.

It was very clear at the time, and has been confirmed by subsequent events, that the payment by the bank of its bond in such Treasury notes, and a failure to make that arrangement, the only practicable one for the sale of the third bond, would render either a special call of Congress or a suspension of payment of some of the demands upon the Treasury inevitable. The department did not feel itself at liberty to hesitate in deciding between an exposure of the public service to either of those extremities, by insisting upon having the whole of these large sums of money paid at one time, and placed elsewhere in other suitable depositories, if any could be found in the present imperfect state of the law, or a consent to leave them in the hands of the public debtor until they were actually wanted, and then to draw for them, in specie or its equivalent, when and where the public service required. Especially could the department not hesitate, when this course was not injurious to that service, and it was unable at the time to withdraw those funds except by the debtor's voluntary consent.

With regard to the other inquiry under this head, as to "what understanding or arrangement, if any, has taken place respecting the benefit which might accrue to the bank in the transfer of money it would make to distant places on account of the Government," I would remark that no such understanding or agreement existed on the side of this department, in respect to the third bond, when the sale was effected.

But soon after this was done, being apprized that the bank entertained an impression, derived from some communications between it and the War Department, and perhaps from the correspondence in April last before referred to, that the money would chiefly be required for military purposes, in sums of about a half a million monthly, at certain points convenient to the War Department, as had been suggested in communications with others, and that an expectation existed with the bank that the money would mostly be called for at those points, I entered into an arrangement to meet this expectation. Such a course appeared to be required by a proper regard to equitable considerations, and while operating, it is supposed, in some respects, beneficially to the bank, was at the same time not prejudicial to the Treasury;



but, in connexion with the arrangement made as to the earlier times and convenient places of paying the second bond, proved highly conducive to promptitude and efficiency in the public service.

In relation to another inquiry, concerning "the period when the sum of \$1,600,000, in part payment of the second bond of the Bank of the United States, was placed to the credit of the Treasurer," I state that \$800,000 was placed to his credit on the 15th day of August, and \$800,000 more on the 15th September, 1838. As to the "nature of the" whole agreement on that subject, I reply that it will be found in the correspondence annexed.

The substance of it was that about one third of the amount of the bond should be paid in the middle of August, one-third in the middle of September, and the other third in the middle of October, as these periods and amounts of payment were deemed likely to promote the convenience of the Treasury, if not of both parties, better than to pay the whole large sum of near two and a half millions at once at the close of the month of September. It was further stipulated that interest should cease on each of the instalments thus paid on the day they were placed to the credit of the Treasurer, and made subject to his draft. As the money was wanted at different points to meet the public expenditures near them, the drafts of the Treasurer on the bank, payable at those several points, were engaged to be met there with promptitude, and in specie or its equivalent.

In answer to the inquiry as to "the aggregate balance standing weekly to the credit of the Treasurer in the Bank of the United States, its branches or agencies, whether subject to draft or not, as well as the weekly aggregate balance in the Treasury, from the time the first deposit was made in the said bank of moneys arising from the payment or sale of its bonds up to the present period," a statement is annexed, which gives the particulars requested.

It may be proper to add, in connexion with these balances, that between the suspension of specie payments and August, 1838, the receipts for duties, except after May last, at New York and east of it, were not in any considerable degree in money, and hence were not often to be drawn for or deposited anywhere. Besides what was in the United States Bank and the Mint, the money in the Treasury from April to September, which was subject to draft and available for general purposes, is believed to have been sometimes less than \$200,000, and seldom to have equalled a million.

Deprived as the department was of most of its general depositories since the spring of 1837, and without any specific, well guarded system instead of them having been provided by law, the drafts of the Treasurer, when any money was collected, as it has been largely since the more general resumption of specie payments in August, were, therefore, directed to be drawn first on those collectors and receivers who had no bank of general deposite, and resided near the place of disbursement.

In this way most of the funds in the hands of collectors and receivers have been drawn for earliest, or the amount in their hands kept low by deposits in appropriate banks, while, in general, little has been drawn from any banks, except what was from time to time needed to supply the deficiency.

Consequently their aggregate balances have changed slowly in amount. But the funds due from the United States Bank, and allowed to remain there till wanted, being frequently needed at points where the money held by collectors and receivers were small, have been drawn for more rapidly

than those in most other banks. Indeed, on the 17th instant, they had been drawn for to an amount equal to the whole of the third bond sold and all of the second bond afterwards paid, except \$1,282,317, leaving still subject to draft only that balance, and the amount of \$300,000, which it assumed to pay to the United States for the Bank of Kentucky.

Information is also desired in the resolution concerning "all the branches or agencies of the said Bank of the United States, on which the Treasury Department has drawn drafts, the amount of public money directed to be placed at each, and of the drafts severally drawn on them, and the rates of exchange between Philadelphia and each of the places to which sums were ordered to be transferred."

All the drafts drawn on any funds in the United States Bank have been drawn on the bank itself. But in cases where the disbursement was to be made near the points heretofore mentioned, as arranged for partial payments, the drafts have, by a memorandum attached to them, been made payable at those points by the persons or local banks, previously designated for that purpose to the Treasurer by the United States Bank. A schedule is annexed of the points or places of payment; the amount of money agreed to be paid at each of those points; the persons, agents, or banks indicated at each, and the amount of drafts already drawn on each.

It will be seen that at several of them the whole sums have been drawn for, and the residue will probably be needed in a few weeks.

The inquiry as to "the rates of exchange between Philadelphia and each of the places to which sums were ordered to be transferred" cannot be otherwise answered than by saying, that no such transfers have been ordered; but the rates between that city and some of the places of payment agreed on, and detailed in the schedule, can be given, so far as they appear in the different prices current received at this office. No particular date being specified in the resolution, and the exchange having varied greatly between the first of August and the present period, I can only add, that from the sale of the bond till recently, the rates are believed to have been nominally high, on account of the deranged condition of the currency and the continued suspension of specie payments by most of the banks in the west and southwest. But, at the same time, specie or its equivalent was, at that period, quoted in many of those places at a large per cent. higher than the local currency; so that the difference in exchange between them and Philadelphia, in specie or its equivalent, or in Treasury notes, or in United States Bank notes, is believed not in reality to have been large, and that all these were often at a higher premium, varying from one and a half to two per cent., than even bills of exchange in Philadelphia. Thus, as an illustration, at Nashville, on the 20th July, exchange on the east is quoted at eight and a half to nine, specie at nine to eleven, Treasury notes at ten, and United States Bank notes at nine to ten, or, from one-half to one and a half per cent. higher than exchange. So on the 12th of September, at Natchez, exchange on Philadelphia and New York is quoted at fifteen to sixteen premium, and United States Bank notes and Treasury notes at seventeen to eighteen, and specie at eighteen; making specie or Treasury notes or United States Bank notes there from two to three per cent. more valuable than exchange on New York or Philadelphia. A table is annexed, containing several quotations at other places of a similar character.

In conclusion, the resolution asks for "the amount, so far as it can be conveniently ascertained, that has been drawn from the Bank of the United

States, its branches, or agencies, or in notes of said bank, for paying Indian annuities or other claims of the Indians on the Government, or for defraying the expenses attending the removal of the Indians; and, in general, the nature of the arrangements (if any) made for the more distant public disbursements in the notes of the bank, together with all the correspondence, agreements, and instructions, given or entered into, connected with any or all the heads of inquiry above stated."

The department generally has no means of information in its power as to the kind of money which is actually paid by banks on any of the Treasurer's drafts. But the original agreement in this case having been that the payments should be specie or its equivalent, and the public creditors and public officers knowing that they were entitled to these, it is to be presumed that they have generally, if not always, been made in this manner.

No arrangements have been formed by this department, nor any instructions given by it, as to any different kind of payment. All the drafts placed on the bank have been duly honored, so far as the information of this department extends, except in one case at Mobile, where the agent of the bank did not, in the first instance, offer the kind of currency demanded; but it was afterwards paid satisfactorily, and without prejudice to the public service.

With regard to the call, under this head, for "all the correspondence, agreements, and instructions given or entered by the department, and connected with any or all the heads of inquiry above stated," copies of all supposed to bear on the subject are annexed.

The closing paragraph of this part of the resolution further requests to be informed by the Secretary of the Treasury, "of the nature of the arrangements made with him by those banks; in which, according to his report of the 3d instant, portions of the public money have been placed to the credit of the Treasurer on special deposit; the kind of money in which the said special deposits were made; whether the same were entered on the books of the bank; whether the identical moneys deposited have continued to be held by the banks; whether the drafts of the Treasury Department that have been drawn on these deposits have been paid in the specific moneys deposited; and whether the balances remaining are part and parcel of the very moneys originally deposited."

The arrangements made with the banks that hold special deposits, or deposits to the special credit of the Treasurer, have been regarded as temporary in their nature or character, and have in most cases, therefore, been informal. It having been expected that Congress would, at an early day, adopt some general system, that could be carried into practical effect, on the subject of keeping the public money, and comparatively few collections having been made, except in Treasury notes and Treasury drafts, since the suspension of specie payments, till within the last three months, the department has deemed it most respectful to Congress to abstain from adopting any uniform and permanent arrangement on the subject of deposits in banks, not selected under the general deposit act, but to use them, for the present at least, only as necessity should require.

The deposit act of June, 1836, not having been repealed, it is still the duty of the department to place all of the public moneys in general deposit in banks, if suitable ones can be found, which are in a condition to comply with the requirements of that act, and are willing to take them. But, as stated in the annual report, a sufficient number of them to satisfy the re-

quirements of that branch of the public service could not be found. No public moneys can, by the existing laws, be deposited with collectors or receivers, except such as have been collected by themselves. In the absence, therefore, of a sufficient number of banks under the general deposit act, and without a provision by law for the deposit of the public moneys elsewhere, though anxiously desired by the department, it has been obliged to employ other banks under its general powers, exercised since 1789, when not otherwise expressly provided by Congress. These have been used to keep such moneys as accumulated in the hands of the collectors and receivers, beyond what was deemed safe under their present securities and liabilities, and also such as were paid into the Treasury from other sources.

In cases of deposits in bank, made specially, the money has, in some instances, been placed in specie, in boxes, fastened up, and not to be withdrawn by the receiver or others, without the draft of the Treasurer on him, payable at the bank where the special deposit was made. In other cases, it has been placed in specie, or bills of specie paying banks, to the credit of the Treasurer, sometimes as "in special deposit," and sometimes as "in deposit to his special credit," and allowing the bank to have entire charge of it afterwards.

But in all these latter cases, as explained in the recent annual report on the finances, it is understood that the money is to be kept ready for payment at any moment, but is not required to be set apart, or specially secured in a box, chest, or bag. It may be paid out by the officers of the bank, on the draft of the Treasurer, without his presence or that of the depositor; and access must, of course, be constantly had to it by those officers.

No other course of deposit of our current funds is practical in fiscal operations, without incurring an expense which the department, without express legislation, did not feel warranted in incurring, for the temporary objects contemplated during the last few months.

In answer to the further specific questions in the concluding clause of the resolution, it may be added, that, in some of these cases, the kind of money deposited is stated by the receiver or collector, in his return; and in some, it is reported by the banks. But it is always supposed to be in legal currency.

It is presumed that, in some cases, the drafts are paid out of the identical money deposited; but in a few only, that the precise money deposited is retained till then, and the balance remaining a part of the original deposit.

Should Congress adjourn without making any new provision as to the keeping of the public money, and should much of it accumulate at several points, before it is disbursed, the department would feel bound, under its supervisory duty of seeing that this money be kept safely as possible, to adopt some uniform rule on the subject of deposits, whether special or general, in banks not able to be selected under the act of 1836.

It would feel obliged, also, to introduce some general system for its faithful custody till paid out, provided a sufficiency of banks, at suitable places, could not be obtained, in conformity to the act. But it would deeply regret the necessity of being left to the exercise of powers so wide and general; powers so likely to be misused, misunderstood, and misrepresented; and ardently hopes, as often stated on former occasions, to be relieved from the responsibility, as well as necessity, of doing it, by some specific legislation for keeping the public money, which may be suited to the present condition of the country, be susceptible of a safe, uniform, and



practical operation, and afford those checks and securities, which are so essential to the preservation of public morality, as well as public faith.

Respectfully,

LEVI WOODBURY,  
*Secretary of the Treasury.*

Hon. RICHARD M. JOHNSON,  
*President of the Senate.*

## LIST OF PAPERS ACCOMPANYING THE REPORT.

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- 1st. Correspondence with the agent of the Bank of the United States in April and May, 1838, relative to a proposition in behalf of the bank to make payments in part of its debt to the United States in funds other than specie or its equivalent, marked A 1 to A 7.
  - 2d. Correspondence as to the prospect of selling the bonds of the Bank of the United States, in case the bill for that purpose should become a law, marked B 1 to B 3.
  - 3d. Correspondence respecting the sale of these bonds abroad, marked C 1 to C 7.
  - 4th. Correspondence relative to the sale of the bond in this country after the passage of the law, marked D 1 to D 17.
  - 5th. Correspondence respecting the payment of \$300,000, by the Bank of Kentucky, at the Bank of the United States, marked E 1 to E 4.
  - 6th. Correspondence with the several agents and officers of the Bank of the United States, respecting deposits and payments on public account from the avails of the bonds of 1838 and 1839, marked F 1 to F 27.
  - 7th. Statements of the Treasurer in compliance with the resolution, marked G 1 to G 4.
  - 8th. Table of the rates of exchange on Philadelphia at a few points, marked H.
  - 9th. Copy of the resolution, marked I.

## CORRESPONDENCE.

A 1.

PHILADELPHIA, April 28, 1838.

SIR: I have the honor to enclose a duplicate of a letter which I left at your house on the evening of the 21st, with a request that it should be delivered to you immediately. I learn that you never received it. I have only to add, that if you are disposed to make the arrangement, I will repair to Washington to consummate it.

I am, very respectfully, your obedient servant,

C. MACALESTER.

Hon. LEVI WOODBURY,  
*Secretary of the Treasury.*

(Enclosure of A 1.)

WASHINGTON, April 21, 1838.

SIR: I take the liberty of inquiring of you whether an arrangement for anticipating the payment of the bond due by the Bank of the United States to the Government for \$2,000,000 in September next in a manner which, I think, will be satisfactory both to the bank and the Government, will be acceded to by you.

I therefore beg leave to ask if an offer on the part of the bank to place at your disposal, or to furnish upon checks of disbursing officers, say—

|   |   |   |   |           |
|---|---|---|---|-----------|
| In Philadelphia on 1st May -            | - | - | - | \$250,000 |
| In Baltimore or Washington on 1st May - | - | - | - | 250,000   |
| In Charleston on 1st June -             | - | - | - | 500,000   |
| In Savannah on 1st May -                | - | - | - | 500,000   |
| In New Orleans on 1st July -            | - | - | - | 500,000   |
|   |   |   |   | <hr/>     |
|   |   |   |   | 2,000,000 |
|   |   |   |   | <hr/>     |

Would be acceptable to you in payment of said bond. In that event, I presume the disbursing officers would check upon the War Department, and the Bank of the United States would be required to furnish the money for said checks, in the proportions and at the times and places designated, and that the checks would be sent to the bank, and, upon being returned here, the amount would be credited on the bond, and interest allowed from the date of each check. I shall be pleased to hear from you at Philadelphia in reply.

I am, respectfully, your obedient servant,

C. MACALESTER.

Hon. LEVI WOODBURY,  
*Secretary of the Treasury.*

A 2.

TREASURY DEPARTMENT,  
*April 28, 1838.*

SIR: Your letter, dated the 21st instant, did not, through accident, come into my hands until this morning.

I hasten to suggest, that your proposal to arrange the payment of one of the bonds, (executed by the Bank of the United States chartered by the State of Pennsylvania,) held by this department, at the several places and periods mentioned in your letter, will require some investigation previous to a decision thereon.

In the mean time, as you do not state that the proposal contained in your letter is made under authority from the bank, and as the discussion of such a proposal, unless made directly by the bank, or its authorized agent, might be liable to misconstruction, and lead to no useful result, you will see the necessity, before my replying fully, that any arrangement desired should be made in that form.

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

LEVI WOODBURY,  
*Secretary of the Treasury.*

C. MACALESTER, Esq., *Philadelphia.*

A 3.

PHILADELPHIA, *April 29, 1838.*

SIR: I have received yours of 28th. I expect to have the pleasure of seeing you on the 1st proximo. I will endeavor to close the negotiation of the \$2,000,000 bond referred to.

As I learned from the Secretary of the Navy that his disbursements were very large at Pensacola, I would prefer paying \$500,000 there, in lieu of an equal sum at Charleston.

I am, very respectfully, your obedient servant,

C. MACALESTER.

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

A 4.

WASHINGTON, *May 2, 1838.*

SIR: I have the honor to acknowledge the receipt of your letter of 28th ult. In answer to which, I have to state that I am authorized by the Bank of the United States chartered by Pennsylvania to enter into the arrangements proposed in my letter of 21st ult.

It would, however, be desirable to the bank to pay \$500,000 at Pensacola, instead of Charleston, if equally agreeable to you.

I am, very respectfully, your obedient servant,

C. MACALESTER.

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*



A 5.

TREASURY DEPARTMENT, *May 3, 1838.*

SIR: Yours of the 2d instant has been received, in which it is stated that you are "authorized by the Bank of the United States chartered by Pennsylvania to enter into the arrangement proposed" in your letter of the 21st ultimo. I therefore proceed to reply to the different questions contained in that letter. In answer to your inquiry "whether an arrangement for anticipating the payment of the bond due by the Bank of the United States to the Government for \$2,000,000 in September next, in a manner which" you "think will be satisfactory both to the bank and the Government, will be acceded to by" me, I would observe that it is not unusual nor often inconvenient to the Treasury to receive, in advance, payment from those indebted to it, and to stop any accruing interest from the time the money is paid. The department is willing to extend the same practice to the bank, and, consequently, has no objection to accept in that way what will be due in September, provided the money is paid at places and in a manner calculated to promote public accommodation and consistent with law. You next inquire "whether an offer on the part of the bank to place at" my "disposal, or to furnish on the checks of disbursing officers," certain sums at several specified places and times, "would be acceptable to" me "in payment of said bond." In reply to this proposition, I would observe, that the customary mode now pursued of placing money at "the disposal" of this department, is by putting it in special deposite in some bank which is designated here on application for that purpose. That mode is preferred on this occasion. The places and times named by you would not be inconvenient, though the department would choose not to receive over one-fourth of a million in any one of the cities mentioned, and the residue in New York, or two-thirds of it there and one-third in Boston.

Whenever a certificate of such a deposite is forwarded to this department, the amount will be credited on the bond, and interest will be stopped from the date of the certificate.

The other branch of the proposition to furnish those amounts, or part of them, on the checks of disbursing officers, is not a mode which it is usual for this department to adopt, and would require more details and delay, and could be adjusted satisfactorily only with the other departments to which the disbursing officers are attached. I must, therefore, decline entering into any stipulations concerning it at this time.

To prevent misapprehension, it should be distinctly understood that, with the exception of Treasury notes, the general course has been to accept no credit, unless the deposite is made in specie or its equivalent, or unless the deposite has been received by some public claimant as equivalent to specie. The right of every claimant to be paid in the legal currency of the United States is fully recognised by this department; and considering the opinion entertained by the Executive, and at least one branch of the Legislature, the idea must be expressly excluded, that the notes of the second Bank of the United States, chartered in 1816, can be permitted to be employed in any of the transactions growing out of this arrangement.

I am, &amp;c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

C. MACALESTER, Esq.

WASHINGTON CITY, *May 5, 1838.*

SIR: I only received to-day your letter dated the 3d instant. It appears to decline any other payment in advance of the bond of the Bank of the United States, falling due in September next, except a deposit of Treasury notes, specie, or its equivalent, to the credit of the Treasurer in certain places. This, you are aware, my proposition did not contemplate, and, indeed, there could be no reason for the bank to desire such arrangement. It was thought that it might be mutually convenient to the Government and the bank for the latter to put immediately, or at no distant periods, at places where the former might want it, such funds as the public creditors would readily receive, excepting (if you desired it) the notes of the late Bank of the United States. I did not and could not have intended to propose a negotiation on the basis of a specie payment; but if your letter does not preclude any other, I shall be very happy to be the medium of carrying into effect that which I did suggest, or any one similar to it in character, with any reasonable modification you may desire.

I have the honor to remain your obedient servant,

C. MACALESTER.

To the Hon. LEVI WOODBURY,

*Secretary of the Treasury.*

A 7.

TREASURY DEPARTMENT, *May 7, 1838.*

SIR: In reply to yours of the 5th instant, I regret to state that, for reasons assigned in my last letter, this department does not feel justified in concluding with you, at this time, any arrangement founded on a different basis from that which was then suggested. It would be gratifying to meet the desire you express for some modification that might prove "mutually convenient to the Government and the bank." But, after mature reflection, I am unable to see any departure from that arrangement which would, according to your views of the subject, be useful to the bank, and which would not, at the same time, be open to the implication that the department wished to promote the receipt and payment of irredeemable paper for the public dues, which, for obvious reasons, it is so very desirable to discourage.

Respectfully, yours,

LEVI WOODBURY,

*Secretary of the Treasury.*

CHARLES MACALESTER, Esq.,

*Philadelphia.*

B 1.

TREASURY DEPARTMENT, *May 8, 1838.*

DEAR SIR: I enclose, for your perusal, a copy of a bill now pending before Congress. Should it pass, do you think that a sale of one or both of

the bonds can be effected in New York, or elsewhere in this country, on the terms required, or on any better ones? And, if not able to be effected here, could it be done abroad, and within what period of time? An early reply to this inquiry would much oblige

Your friend and obedient servant,

L. WOODBURY.

GEORGE NEWBOLD, Esq., *New York.*

A letter, similar to the above was written, at the same date, to Joseph Solms, Esq., president of the Moyamensing Bank, Philadelphia.

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B 2.

BANK OF AMERICA, *May 15, 1838.*

DEAR SIR : Having been absent from the city for four or five days, your favor of the 8th instant was not received by me until my return. I now hasten to reply to your inquiry in regard to the sale of the bonds of the Bank of the United States held by the Government and due in 1839 and 1840.

If the Government shall guaranty the payment of the bonds at maturity, I think it probable that one or both of them could be sold in this city, on the terms specified in the bill, a copy of which was enclosed in your letter; but if the guarantee of the Government shall not be given, the bonds could not, in my opinion, be sold in this city on the terms prescribed. Indeed, I think it would in that case be difficult to sell them, even at a considerable reduction, to any other party than the Bank of the United States itself. Besides the question of security and the medium of payment that would be considered by some, the fear or apprehension of an offset, or an attempt to offset, would be likely to influence every person or party, and deter them from making the purchase.

The amount of the bonds being very large and not susceptible of division, will undoubtedly be an obstacle to a ready and advantageous sale; but if the Government should think proper to execute separate instruments of guarantee, in suitable sums, for the whole amount of the bond and the interest thereon, I think it probable that one or both of the bonds could be sold in this city on the terms mentioned in the bill.

The bonds have too short a time to run to warrant any reasonable expectation of a sale of them in Europe, on favorable terms, during the present rate of exchange.

I am, with great respect, your obedient servant,

GEO. NEWBOLD.

Hon. LEVI WOODBURY, *Washington.*

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B 3.

MOYAMENSING BANK,  
*Philadelphia, May 10, 1838.*

SIR : I had the honor of receiving your letter of the 8th of this month, accompanied by a printed bill, now before the Senate, relative to the sale of the bonds from the Bank of the United States to the Government in settlement of its stock.

These bonds, being large, in my opinion cannot be sold advantageously in this country, unless to the United States Bank or her agents; but I have no doubt that these bonds could readily be sold in England, owing to the abundance of money and the existence of many capitalists there, as well as the agent of the United States Bank, who might also be induced, by weighty considerations, to enter the field as a purchaser. Silver or gold could easily be procured and shipped to this country. This could be completed in ninety days, if properly conducted.

I am, sir, respectfully, your most obedient servant,

J. SOLMS, *President.*

To the honorable LEVI WOODBURY,  
*Secretary of the Treasury, Washington.*

C 1.

TREASURY DEPARTMENT,

*July 9, 1838.*

GENTLEMEN: The United States hold several bonds of the Bank of the United States, chartered by the State of Pennsylvania, two of which, payable in September, 1839, and September, 1840, respectively, have been authorized by Congress to be sold under the law, a copy of which I have the honor to enclose.

I also enclose a copy of one of the bonds, the other being precisely similar, excepting as to the period of payment. You will perceive that they bear a rate of interest of six per centum per annum. My object in transmitting these copies to you is to ascertain whether there may be parties in London disposed to purchase one or both of these bonds, and, if so, to request you to receive their lowest proposals and transmit them to this department by the earliest conveyance, in order that a decision may be made upon them, compared with others from other quarters.

Should the offer for the purchase made through you be accepted, a formal assignment will be executed and transmitted to you, if requested, or any other course pursued which may be deemed more correct and convenient, the purchase sum being placed in your hands, to the credit of the United States, and subject to the orders of this department.

I am, very respectfully, your obedient servant,

LEVI WOODBURY,  
*Secretary of the Treasury.*

MESSRS. N. M. ROTHSCHILD & SONS,  
*Bankers, London.*

C 2.

LONDON, *August 7, 1838.*

SIR: We have the honor of acknowledging the receipt of your esteemed favor of the 9th July.

You inform us therein, that the United States hold two bonds of the Bank of the United States chartered by the State of Pennsylvania, for \$1,986,589 04, each, payable in September, 1839, and September, 1840, with interest at 6 per centum; of one of which you forward us a copy



enclosed, and you desire us to ascertain whether any parties here would be disposed to purchase one or both of these bonds, and to receive and transmit to you any proposals we might receive, in order that a decision may be duly made.

In respect to these bonds, we have understood that the rate for sale is limited to be not below par, and that the purchaser will not have the guarantee of the Government of the United States. These circumstances it would be desirable for us to be exactly informed about, as, in regard to the limit for sale especially, the purchase would not be considered sufficiently favorable for us to obtain an offer; and we, therefore, defer, for the present, any proceedings towards procuring proposals. Upon being favored with your further communications upon the subject of these bonds, we shall have much pleasure in bestowing our full attention upon procuring offers to the best advantage of the United States.

We have the honor to be, with high esteem and respect, sir, your very obedient servants,

N. M. DE ROTHSCHILD & SONS.

To LEVI WOODBURY, Esq.,  
*Secretary of the Treasury Washington.*

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C 3.

TREASURY DEPARTMENT, July 11, 1838.

SIR: Congress, at its session which has just closed, has authorized the department to sell two of the bonds of the Bank of the United States, chartered by Pennsylvania, as will appear by a copy of the act herewith transmitted. I also enclose a copy of one of the bonds, the other being exactly similar, excepting as to the period of payment. You will perceive they carry interest at the rate of six per centum, upon the capital sum, from the 4th March, 1836.

My object in transmitting these copies to you, is to request that you will be pleased to consult with, and ascertain from, Messrs. Welles & Co., Rothschild, Frères, and any other bankers and capitalists at Paris, to whom you may conveniently have access in this matter, as to whether these bonds may be disposed of at Paris, within the terms and limitations of the law.

Should any proposals be made for the purchase of one or both of them, I will be much obliged if you will be pleased to transmit them to me by the earliest opportunity, in order that a decision may be made, on comparing them with the offers from other quarters. If any offer made through you be accepted, a formal assignment will be executed to the party or parties, to be delivered on placing the purchase sum at the control of this department, or any other course adopted which may be deemed more advisable. It is desired that the amount be realized by the commencement of the fourth quarter of the present year, or earlier if practicable. If you will be pleased to honor me with your views as to the probability of effecting an arrangement in Paris, as soon as may be, I will be obliged to you.

I have the honor to be, sir, &c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

Hon. LEWIS CASS, *Minister Plenipotentiary and*  
*Envoy Extraordinary of the United States, at Paris.*

C 4.

LEGATION OF THE UNITED STATES,  
Paris, September 3, 1838.

SIR: In conformity with your letter of July 11th, 1838, I submitted to Mr. Welles the proposition you stated concerning the purchase of the bonds given by the Bank of the United States chartered by Pennsylvania to the United States, and I embrace the earliest opportunity to communicate to you the result. Baron Rothschild, the other banker to whom you referred me, has been absent since the receipt of your letter, and I could not, therefore, consult him. But Mr. Welles sought information from the bankers, and his views may be depended on. He states that, after examination, he found it impossible to obtain an acceptable proposition, because, in the first place, the bonds are too large, and because, in the second place, bankers who made an offer would necessarily be compelled to hold themselves in readiness to comply, after information of the result should be obtained from the United States; and would thus be bound, for many weeks, to have the money within their control, while, in the mean time, some event might occur to change the state of the money market, and thus to embarrass them. Mr. Welles was decidedly of opinion that a better arrangement might be made in the United States than here. Under these circumstances, and placing confidence in his representations, I do not think that the object could be effected in Paris, upon such terms as you would approve.

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

LEWIS CASS.

HON. LEVI WOODBURY,  
*Secretary of the Treasury, Washington.*

C 5.

TREASURY DEPARTMENT, September 28, 1838.

GENTLEMEN: I have the honor to acknowledge the receipt of your letter of the 7th August, in reply to my inquiries respecting the probability of effecting a sale of the bonds of the Bank of the United States of Pennsylvania, and inquiring, preliminary to any steps upon the subject, whether the purchaser will have the guarantee of the United States for the prompt payment of the bonds by the obligor.

The act of Congress authorizing the sale, of which I had the honor to enclose you a copy in my letter of the 9th July, contains all the power which this department possesses upon that point; and it will not, therefore, be competent for the Executive Government to stipulate the guarantee suggested.

I am, very respectfully, your obedient servant,

LEVI WOODBURY,  
*Secretary of the Treasury.*

N. M. ROTHSCHILD & SONS,  
*Bankers of the United States, London.*

P. S.—It may be proper to add, that the Bank of the United States of Pennsylvania, the obligor of these bonds, offered, in July last, to purchase both at par, and an arrangement was subsequently made, by which the bond payable in 1839 was purchased by the bank.

This department then declined to sell that payable in 1840, until advice should be received from you.

If any capitalist in Europe shall choose to purchase the unsold bond, no doubt can exist but the United States would fully indemnify the purchaser against any claim for deduction, set up successfully by the obligor, through a formal guarantee cannot be given, for the reasons before mentioned.

L. W.

C 6.

TREASURY DEPARTMENT, *July 17 1838.*

SIR : It appears, at this time, to be very probable that this department will be obliged to send an agent abroad for the purpose of negotiating the bonds of the Bank of the United States, authorized to be sold at the late session of Congress. I will thank you to inform me whether it would suit your convenience to go for that purpose, at a compensation of \$8 per day for time necessarily employed, and necessary expenses, as it would seem to be difficult to fix a gross sum on a commission.

Be pleased to let me hear from you upon this subject in the course of a day or two, as some one else must be selected, should you decline.

Respectfully, yours,

LEVI WOODBURY,

*Secretary of the Treasury.*

JOHN WHITE, Esq., *Baltimore.*

C. 7.

WASHINGTON, *July 23, 1838.*

SIR : In compliance with your request, I beg leave to submit the following remarks, in relation to the contemplated sale of the bonds of the Bank of the United States, to your consideration.

That part of the 1st section of the act of Congress which limits the value of the bonds, might have been more perspicuously expressed.

"The rules" by which the value of public securities is calculated, is to modify the par value, in accordance with the rate of interest estimated or agreed upon, at the period of sale. The modification implied, by the direction in the act, that "the par value of the bond sold, at the time of sale, is to be calculated according to the rules for estimating the par value of securities upon which interest has run for a time, but which securities have not reached maturity," has reference, it is conceived, to the remote periods at which interest is payable— $3\frac{7}{12}$  and  $4\frac{7}{12}$  years—and was intended to authorize the value of the bonds to be calculated, so as to indemnify the purchase for the unusual advance required.

The general usage in the United States with public authorities and corporations is to pay interest on their liabilities *semi-annually*. I have assumed the intention of Congress to be in conformity therewith, and upon this basis of estimate, I find the value of these bonds to be as follows:

The equivalent of \$2,413,705 68 due by the Bank of the United States, on the 3d of October, 1839, will be, if a sale is effected on the 3d proximo, \$2,252,622 87, or nearly 93 $\frac{3}{10}$  per cent.

If these bonds could be divided into sums of \$400,000 to \$500,000 each, their sale would be materially facilitated, and perhaps a portion of them might be disposed of in the United States.

The state of the money market in Europe is highly propitious, and authorizes the expectation that the value of the bonds, as herein estimated, may be obtained, or that better terms may be realized, if the agency is judiciously executed, and under the advantages known to have a favorable influence on pecuniary negotiations.

The compensation proposed in your letter of the 17th instant, for executing successfully a trust of that importance, appeared to be inadequate.

Though the sufficiency of the security should be universally admitted, it may be alleged that a less current or saleable description of securities has rarely been tendered for sale in any market.

It is therefore evident that an advantageous disposition of these bonds cannot be easily effected. The rate of money in the market may favor all negotiations, but it cannot adjust on a satisfactory basis, by reference to the current value of other evidences of debt, the value of such an unusual and uncurrent description of securities as these bonds. Under such circumstances, it is obvious that the skill and management of the agent may have an important influence upon the pecuniary result, and that the department is more interested in the competency of the person selected, than in the relative amount of compensation required.

I am of opinion that the commission paid by the Treasury Department during the greater part of its existence, upon its stock and bill of exchange transactions, of one-fourth of one per cent, would in this case, which involved much more difficulty in its execution, and the inconvenience of a foreign voyage, be reasonable and appropriate. It is the usual charge on all stock business; it is much less than the late Bank of the United States paid to its special or foreign agents, or than is usually charged by bankers for distant agencies, and it is the rate of compensation fixed upon by the Legislature of Maryland, in its bill of last year, authorizing a loan of eight millions of dollars.

In the event of failing to sell the bonds, I should expect the pay and mileage of a member of Congress.

I have the honor to be your obedient servant,

JOHN WHITE.

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

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D 1.

TREASURY DEPARTMENT, July 9, 1838.

SIR: The bill which passed the Senate some months since, authorizing this department to dispose of the two bonds of the Bank of the United



States, payable in September, 1839, and September, 1840, for the capital sum of about two millions each, and bearing interest at the rate of 6 per cent., has become a law.

I shall be happy to receive your opinion, whether these bonds can be sold on terms favorable to the public in this country. It has occurred to me that a number of capitalists or banks might be inclined to associate themselves for the purpose of taking one or both of them.

The purchase money will be wanted for the public service within three months. If you will favor me with the result of any inquiries you may find it convenient to make, as early as possible, I will be much obliged.

I am, &c.,

L. WOODBURY,  
*Secretary of the Treasury.*

FRANKLIN HAVEN, Esq.,  
*President of the Merchants' Bank, Boston.*

A letter of the same tenor and date as the foregoing was addressed to George Newbold, Esq., President of the Bank of America, New York.

D 2.

MERCHANTS' BANK,  
*Boston, July 13, 1838.*

SIR: I have to acknowledge the receipt of your communication of the 9th inst., desiring my opinion whether the two bonds of the Bank of the United States, for about two millions of dollars each, payable, one in September, 1839, and the other in September, 1840, can be sold on terms favorable to the public in this country.

I have made some inquiries as to the probability of the said bonds being negotiated in this section of the country, should they be offered, and the result thereof has confirmed the opinion which I had previously formed relative thereto; namely, that owing to the shortness of the periods to elapse before the maturity of the bonds, and to the magnitude of their respective amounts, (principally the latter,) it would be impracticable to dispose of them in this State, on such terms as would be considered consistent with a due regard to the public interests.

I am, very respectfully, your obedient servant,

FRANKLIN HAVEN, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

D 3.

BANK OF AMERICA, *July 11, 1838.*

SIR: I have the honor to acknowledge the receipt of your favor of the 9th inst., requesting information relative to the sale of the bonds of the Bank of the United States, held by the Government, and payable in September,

1839, and September, 1840. I will with pleasure endeavor to obtain the necessary information as early as practicable, and will advise you thereof accordingly. In the mean time permit me to inquire whether the payment of the bonds at maturity will be guarantied by the United States.

I remain, with great respect, your obedient servant,  
GEO. NEWBOLD, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

## D 4.

TREASURY DEPARTMENT, *July 13, 1838.*

SIR: I have to acknowledge the receipt of your letter of the 11th instant, respecting the guarantee of the bonds of the Pennsylvania Bank of the United States. In order that you may see the extent of the authority of this department in this respect, I herewith enclose you a copy of the act under which they are to be sold. The interest of the United States in the amount secured by the bonds, is to be conveyed to the purchaser.

But should any defence be set up by the obligors, as against the right of the United States, which should prevail, there can be no doubt but the United States would be bound to indemnify the purchasers.

If a sale should be effected, the purchase money might be paid, if desirable, in three or four monthly instalments.

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

LEVI WOODBURY,  
*Secretary of the Treasury.*

GEORGE NEWBOLD, Esq.,  
*President of the Bank of America.*

## D 5.

BANK OF AMERICA, *July 14, 1838.*

SIR: Since I addressed you on the 11th instant, acknowledging the receipt of your favor of the 9th, I have endeavored to ascertain whether the bonds of the Bank of the United States, referred to in your letter, could be sold in this city, and I regret to say that there is but little or no prospect of your being able to effect a sale of them here on the terms limited by law. In addition to the difficulty presented by the large amount of each bond, the fact that the interest already accrued must be included in the amount now to be paid, and that no interest whatever can be received by the purchaser until the maturity of the bond, create objections to the investment, that appear to be insuperable. If the bonds were in sums of fifty or one hundred thousand dollars each, and the interest payable semi annually, the whole or greater part of them could I think be readily sold, provided the payment of them at maturity was guarantied by the United States; but without such guarantee they could not be sold at the price limited by law, or without submitting to a very considerable reduction below that limit. If I shall hereafter see any

favorable prospect for the sale of these bonds, or for the promotion of your wishes on the subject, I will immediately communicate it to you.

Mr. Belmont has addressed you on the subject, and stated the terms on which he would be willing to take them if guarantied by the United States, by which you will see the present value at which the bonds are estimated by capitalists.

I have the honor to remain, very respectfully, your obedient servant,  
GEO. NEWBOLD, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury, Washington.*

D 6.

TREASURY DEPARTMENT, *July 16, 1838.*

SIR: I have to acknowledge the receipt of your letter of the 14th instant. I wrote you on yesterday in consequence of observing in the Philadelphia newspapers some intimations affecting the credit of the bonds of the Bank of the United States in the market. It seems to be evident that the maker of these bonds intends that no other corporation or individual shall purchase them. So many suggestions injurious to their value have been made, and, what is more remarkable, considering their obvious origin and motive, have been listened to, that I shall probably be compelled either to sell the bonds to Mr. Biddle, who is expected here in the course of the present week, or to send them abroad for sale.

With regard to your suggestion that the interest already accrued on the bonds must be included in the amount to be paid for them, it is proper to explain, and I will thank you to communicate the explanation to Mr. Belmont, that the accounting officers have reported to me that, in computing the par value of the bonds under the limitation fixed by the law, it must be fixed at an amount not less than the sum which, at six per cent. interest, will make the aggregate of principal and interest of the bond at maturity, thus: the bond due 30th September, 1839; the principal is \$1,986,589 04  
The interest at maturity from 3d March, 1836 - - - 426,123 34

The sum payable to holder of bond, 30th September, 1839 2,412,712 38

The par value of this bond on the 1st August, 1838, will be considered that sum, which, at six per cent. interest for the unexpired term of the bond, will make the above amount; as the ratio of 107 for the fourteen months the bond has to run is to 100, so is the amount of the bond at maturity to its par value on the 1st August, being \$2,254,871 38.

If I comprehend the proposition made by Mr. Belmont in his letter of the 12th instant, proposing to take the bonds at par, as then understood, being the principal and interest accrued, and which appears to be your understanding of the term, deducting therefrom five per cent. upon the accruing and accrued interest by way of commission, it seems that his offer will come within the limitation of the law as construed here, and may be accepted if satisfactory in other respects to all parties.

|  |   |   |                |
|--|---|---|----------------|
| To explain this offer : the face of the bond is        | - | - | \$1,986,589 04 |
| Interest from 3d March, 1836, to 1st August, 1838, say | - | - | 307,971 20     |

|  |   |   |              |
|--|---|---|--------------|
| Making the par value, according to the views apparently entertained both by you and Mr. Belmont, to be | - | - | 2,294,561 24 |
|--|---|---|--------------|

|  |   |   |           |
|--|---|---|-----------|
| Deduct five per cent. upon amount of accrued and accruing interest, say \$426,123 34 | - | - | 21,306 16 |
|--|---|---|-----------|

|   |   |   |              |
|---|---|---|--------------|
| Leaving this sum as the amount to be paid on 1st August, 1838 | - | - | 2,273,254 08 |
|---|---|---|--------------|

This offer, as you will perceive, might be accepted under the limitation prescribed by law. With regard to the point of guarantee, no power to give one is conferred by the law, nor can I bring myself to regard it as of the slightest importance. Should any set off be presented, which hardly seems within the limits of possibility, or any loss occur from any other source except the actual insolvency of the bank, the United States would doubtless fully indemnify the purchasers.

It cannot be possible that, upon any rational computation, an indemnity can be required against the insolvency of the bank, as its capital must be sunk, as well as its other assets, before the bonds can be lost.

Any bank which co-operates in the purchase of these bonds, at a point like New York, cannot fail to derive great advantage from the operation. The money will probably be required to be drawn for at the rate of about half a million monthly. The drafts will be mostly sent to the south and southwest, and the greater portion of them will be out thirty, sixty, and ninety days before presented at bank.

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

LEVI WOODBURY,  
*Secretary of the Treasury.*

GEORGE NEWBOLD, Esq.,  
*President of the Bank of America, New York.*

D 7.

BANK OF AMERICA, July 16, 1838.

SIR: I have received your favor of the 14th instant, with a copy of the act authorizing the sale of the Bank United States bonds, by which it appears that the punctual payment of the said bonds at maturity will not be guaranteed by the United States.

Requesting reference to my respects of the 14th instant, I have now to confirm the opinion therein expressed, that the bonds cannot be sold in this city on the terms prescribed in the law.

I have the honor to remain, very respectfully, your obedient servant,  
GEO. NEWBOLD, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury, Washington.*

D 8.

TREASURY DEPARTMENT, *July 18, 1838.*

SIR: Yours of the 16th instant has been received. I am not aware that any additional explanation as to the sale of the bonds of the United States Bank can be given, which may be useful.

If, after a few days more, I should receive no offer that I can accept, it will be necessary to employ some person or bank to effect a sale of them abroad.

Will you or the Bank of America undertake that business for the department, should it be desired, and on what terms? One leading object will be to realize a portion of the proceeds at the earliest day practicable. The amount is so large, that I do not propose to pay any agent commissions, but all necessary expenses, and a reasonable *per diem* while engaged in the business.

If only one of the bonds can be sold, and a fourth of the money received monthly, the department could wait for the sale of the other till the last quarter of the year, and perhaps longer.

Respectfully, yours,

LEVI WOODBURY,  
*Secretary of the Treasury.*

GEO. NEWBOLD, Esq.,

*President of the Bank of America, New York.*

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D 9.

BANK OF AMERICA, *July 18, 1838.*

SIR: I have received your favor of the 16th instant, and I have the pleasure to say in reply, that the rule or mode of computing the par value of the bonds as stated in your letter corresponds with the views that I entertained of the terms of the law, and I therefore stated that they formed objections to the purchase, inasmuch as there was not an adequate inducement for the investment, considering that the purchaser would not receive any interest whatever, until the maturity of the bonds, more than one and two years hence.

Post notes of the Bank of the United States, bearing interest at the rate of six per cent. per annum, have been selling in this city at the rate of seven per cent. per annum, and that in the form of *discount*, on the whole debt at maturity of the note, instead of the form of interest as the rule stated for computing the par value of the bonds in question.

I mention this as an illustration of this ground of objection to the purchaser of the bonds on the terms limited in the law. But, besides these objections and the obstacle presented by the large amount of each bond, the great and paramount difficulty in the negotiation is the required and necessary guarantee of the United States, and, without which, I am more and more confirmed in the opinion I have already expressed, that the bonds cannot be sold in this city on any terms that would be deemed reasonable, or that could be entertained for a moment. If you shall conclude



to send the bonds to Europe for sale, and this bank can be useful or serviceable therein, it will afford us pleasure to render you any aid in our power.

I have the honor to remain, very respectfully, your obedient servant,  
GEO. NEWBOLD, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury, Washington.*

D 10.

TREASURY DEPARTMENT, *July 20, 1838.*

SIR: I have the honor to acknowledge the receipt of your letter of the 18th instant.

In the letter sent to you on the 16th instant, a mistake occurred in stating the amount of interest accruing between the 3d of March, 1836, and the 1st of August, 1838, on the bond due September 30, 1839. The true amount is \$287,062 13, making the par value of the bond \$2,273,651. If there were no other obstacles in the way, Mr. Belmont's offer could not be accepted, inasmuch as a deduction of five per cent. from the amount of accrued and accruing interest would not bring his proposal within the terms of the law. The difference is between two and three thousand dollars.

I will be obliged to you if you will hand the enclosed order to Mr. Rush as soon as he arrives at New York, and afford him such aid as may be in your power for speedily conveying the money to the mint.

I am, very respectfully, your obedient servant,

LEVI WOODBURY,  
*Secretary of the Treasury.*

GEORGE NEWBOLD, Esq.,  
*President of Bank of America, New York.*

P. S.—It is expected daily to hear of Mr. Rush's arrival with the money.

D 11.

BANK OF AMERICA, *July 25, 1838.*

SIR: Having been absent from the city for five or six days, I did not receive your favors of the 18th and 20th instant until my return last evening.

The letter you forwarded for Mr. Rush shall be handed to him immediately on his arrival, and I will, with great pleasure, afford him every aid and facility in my power for the speedy conveyance of the money to the mint.

In my letter of the 18th instant I had the pleasure to tender you my services, or the services of this bank, in case you should conclude to send the bonds of the Bank of the United States to Europe for sale; and I have now to add that we will cheerfully undertake the agency for their trans-

mission and sale under such instructions as you may be pleased to give in reference thereto, and we will make no charge whatever on our part, except for the actual expenses and disbursements in transacting the business.

I have the honor to remain, very respectfully, your obedient servant,  
 GEORGE NEWBOLD, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

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D 12.

TREASURY DEPARTMENT, *July 27, 1838.*

SIR: I have the honor to acknowledge the receipt of your letter of July 25th, and to beg you to accept my thanks for your kind offer.

If the department should find it necessary to employ your bank in selling the bonds abroad, it will be happy to apply to you. It considers your proposals very liberal.

Your letter of the 25th, enclosing a letter from Mr. Webber, respecting the Neapolitan indemnity, was received to-day.

I am, very respectfully, your obedient servant,

LEVI WOODBURY,  
*Secretary of the Treasury.*

The PRESIDENT of the Bank of America.

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D 13.

TREASURY DEPARTMENT, *July 9, 1838.*

SIR: The bill which passed the Senate some months since, authorizing this department to dispose of the two bonds of the Bank of the United States, payable in September, 1839, and September, 1840, for the capital sum of about two millions each, and bearing interest at the rate of six per centum, has become a law.

I shall be happy to receive your opinion whether these bonds can now be sold on terms favorable to the public in this country or abroad. It has occurred to me that a number of capitalists or banks might be inclined to associate themselves for the purpose of taking one or both of them. The purchase money will be wanted for the public service probably, in convenient sums, within three months. If you will favor me with the result of your views, or any inquiries you may find convenient to make, as early as possible, I will be much obliged.

I am, &c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

AUGUST BELMONT, Esq., *New York.*

D 14.

NEW YORK, *July 12, 1838.*

DEAR SIR: In reply to your most esteemed favor of the 9th instant, I have the honor to state that the short period for which the two bonds of the Bank of the United States have to run, together with the large amount of each single bond, render it very difficult for foreign capitalists to make an investment in them.

Having to act as agent of my houses in London and Paris, I would, in purchasing one or two of these bonds, be obliged to draw upon London or Paris, at the present rates, for £*st.* of 107 to 108, and, probably, for such an amount even lower, and then have the risk to remit this amount, when the bonds become due, at 110 or 111, where, with the revival of business and the reincrease of importations, we probably shall see exchange in one or two years *here*.

I entertain the most ardent wish to tender my services and those of my principals to the Government of the United States, and shall always be most happy to do so whenever it can be effected without immediate loss.

Taking, therefore, into consideration the risk on the exchange of at least 3 to 4 per centum, and the trouble of the different manipulations which I would have to undergo in order to put these bonds in a saleable way in England, I could not offer for these bonds more than par, with the deduction of 5 per centum in shape of accrued and accruing interest or commission, the payments to be made, as you suggest, within three months at the option of the purchaser.

In making this offer, I would make it a principal point that the bonds have to be endorsed and guarantied by the Government of the United States, and my arrangements would be such as to make it desirable for me to have the bonds deposited with the Treasurer, to be paid, when due, to the purchasers of the bonds or their assignees.

In case these conditions meet with your views, please to favor me by your reply at an early period.

I remain, &c.,

AUGUST BELMONT.

To the Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington, D. C.*

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D 15.

TREASURY DEPARTMENT, *June 14, 1838.*

SIR: I have to acknowledge the receipt of your letter of the 12th instant.

By the express terms of the law, the bonds cannot be sold for less than par; of course they must remain unsold, unless a purchaser offers at that rate. It seems to be supposed that the corporation which executed these bonds may have claims against the United States.

The bonds are executed by the bank chartered by Pennsylvania, and, of course, that bank can have no claim arising from any former transaction with another institution. Should the bank hold Treasury notes or

drafts, and offer them in payment, the United States would of course be bound to take them up; and, in fact, there can be no doubt but the Government will indemnify the holder of the claims which are or can exist, though the law does not contemplate a formal guarantee.

I hope you may be inclined to make another proposal, to take one or both of the bonds at par, at least for the principal and interest already accrued, without a deduction on the part of the United States.

The money would probably be drawn for as wanted during the ensuing three or four months, not drawing more than half a million per month on account of each bond.

I am, &c. &c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

AUGUST BELMONT, Esq., *New York.*

D 16.

NEW YORK, *July 17, 1838.*

DEAR SIR: I have received your most esteemed favor of the 14th instant. The fact that the Government of the United States would guaranty the punctual payment of the bonds at maturity would be a material point, without which I could not purchase them; and as, at the same time, you mention that the law forbids the sale of these bonds at par, I am afraid that it will be impossible for me to meet your views on this subject.

Mr. Newbold has read to me the postscript of your letter to him of the 14th instant, and I would be most happy, if circumstances would render it possible for me, to tender you my services, which, for the present opportunity, seems almost impossible, unless the guarantee of the Government, and the required deduction to secure against loss on the exchanges, &c., can be obtained.

I remain, very respectfully, dear sir, your most obedient servant,

AUGUST BELMONT.

To the Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington.*

D 17.

NEW YORK, *July 21, 1838.*

DEAR SIR: I had the pleasure of seeing your messenger here, and explained to him the reasons which, situated as I am, prevent me from purchasing the bonds of the Pennsylvania Bank of the United States, unless they could be sold at a deduction of five per cent. on the par value of the amount, and with the guaranteeing endorsements of the Government.

The reasons brought forward by you, in your letter to Mr. Newbold, convince me fully that there cannot be any doubt about the eventual security of the bonds, and that, under any consideration, the purchasers would be

finally indemnified by the Government if any loss could be endured. Having, however, to act as agent, I am afraid to purchase a stock for account of my principals, unless I can be fully satisfied that its redemption is sure to take place on the day of maturity.

You mention that, in case no sales could be effected here, you would probably send them abroad for sale. Though the law under which these bonds can be sold throws almost insurmountable difficulties in the way, still it may be that my principals in London and Paris, anxious as they are to serve this Government, could come nearer to your views than I am able to do. In every case, you can be assured that they would spare no exertions to further the objects of your Government.

I had already repeatedly the honor to offer you the services of my houses in case this Government should wish to make use of a credit for a given period. I am sure that my principals would most willingly ship *any amount* of specie you might require, which you could pay them back at your convenience, in nine or twelve months, with the addition of five per cent. per annum interest, one per cent. commission, and the charges of freight and insurance.

If you should prefer to draw upon them, or authorize a bank or individual to draw upon them, they would be happy to honor these drafts to the extent you wish.

I remain, dear sir, your most obedient servant,

AUGUST BELMONT.

To the HON. LEVI WOODBURY,

*Secretary of the Treasury.*

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E 1.

BANK OF KENTUCKY,  
Louisville, September 5, 1838.

SIR: I had hoped, before this, to have received an answer from you to mine of the 14th ultimo, relative to the purchase of State bonds. Should you not, upon the receipt of this, have written me accepting said proposition, you will be pleased to consider the same as withdrawn.

I shall, during the course of the present week, remit to you a check on Philadelphia, for three hundred thousand dollars, in part payment of the debt due by this bank.

Would you receive from me thirty or forty thousand dollars at Richmond? Your early answer will oblige,

Very respectfully, your obedient servant,

W. H. POPE, *President.*

HON. LEVI WOODBURY,

*Secretary of the Treasury.*

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E 2.

BANK OF KENTUCKY,  
Louisville, September 10, 1838.

SIR: I hand you, enclosed herewith, a check on the Bank of the United States, Philadelphia, in your favor, for three hundred thousand dollars, in-



tended as a payment on the amount due the Treasurer of the United States by this bank.

In acknowledging its receipt, will you be pleased to say whether, in addition to the amount requested to be taken in Richmond, you will take my check on Augusta, Georgia, for forty or fifty thousand dollars? Both of the latter I hope you will be able to make available.

Very respectfully, your obedient servant,

W. H. POPE, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

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E 3.

TREASURY DEPARTMENT, *September 17, 1838.*

SIR: I have to acknowledge the receipt of your letter of the 10th, with its enclosure. I have specially directed the check for \$300,000, drawn by your cashier upon the Bank of the United States, in favor of Levi Woodbury, Secretary of the Treasury, to be placed to the special credit of the Treasurer of the United States, with whom all accounts are kept, and to whom all payments and transfers of balances of that kind should be made. Whether the bank will consider my endorsement sufficient for that purpose remains to be seen.

There will be no occasion for sending a check in favor of either the Treasurer or Secretary, in order to realize the sum you wish to make available at Augusta, if the institution with which it is deposited is willing to pay it in specie or its equivalent. The more convenient course will be, to request your corresponding bank at Augusta to take up the Treasurer's drafts upon you, which will be drawn when occasion offers, payable at such bank at Augusta and to such an amount as you may indicate.

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

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

W. H. POPE, Esq.,

*President of the Bank of Kentucky, Louisville.*

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E 4.

TREASURY DEPARTMENT, *September 17, 1838.*

SIR: The enclosed check has been this day received from the Bank of Kentucky, and I will thank you to place the amount (\$300,000) to the special credit of the Treasurer, and acknowledge the receipt of the sum to him.

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

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

To the CASHIER of the Bank of the United States of

*Pennsylvania, Philadelphia.*

F 1.

WASHINGTON, *July 21, 1838.*

SIR: I have the honor to submit to you the following proposition, for the purchase of the two bonds of the Bank of the United States chartered by Pennsylvania, referred to in your advertisement of 18th instant:

I will give, for one or both of them, the par value, calculated according to the rules for estimating the par value of securities upon which interest has run for a time, but which securities have not reached maturity; the settlement to be made on 1st of August next; on which day I will deposite the amount thereof, to the credit of the Treasurer of the United States, in special deposite in the Bank of the United States, in Philadelphia, in specie or its equivalent; this being done, you will then execute to me an assignment of the bonds.

I am, very respectfully, your obedient servant,

C. MACALESTER.

HON. LEVI WOODBURY,

*Secretary of the Treasury.*

F 2.

TREASURY DEPARTMENT, *July 30, 1838.*

SIR: Your offer of the 21st instant, to purchase one or both of the bonds of the Pennsylvania Bank of the United States, at the par value, as limited in the act of Congress, is accepted for the bond due in September, 1839.

The proposal being to deposite the money to the credit of the Treasurer, in special deposite in said bank, on the 1st day of August next, I have caused a computation to be made of the amount then payable by you. It is supposed to be \$2,254,871 38, and is ascertained in the mode of calculation explained in the letter annexed.

That sum can be deposited; and if any error is found in the calculation, it will be corrected. On receiving the certificate of deposite, I will execute to you an assignment of the bond. It is understood that the bank is to keep this money safely till drawn out by the Treasurer, without making any charge to the United States for keeping or for paying it over on his drafts.

I am, very respectfully, your obedient servant,

LEVI WOODBURY,

*Secretary of the Treasury.*

CHARLES MACALESTER, Esq.,

*Philadelphia.*

F 3.

BANK OF THE UNITED STATES, *August 1, 1838.*

SIR: You will be informed by Mr. Macalester, of his having this day deposited in this bank the sum of two millions two hundred and fifty-four

thousand eight hundred and seventy-one dollars and thirty-eight cents, to the credit of the Treasurer of the United States.

In your letter to Mr. Macalester, of the 30th ultimo, directing that the money should be deposited in the bank, you add: "It is understood that the bank is to keep this money safely till drawn out by the Treasurer, without making any charge to the United States for keeping or for paying it over on his drafts."

On the part of the bank, I confirm that understanding.

With great respect, yours,  
N. BIDDLE, *President.*

HON. LEVI WOODBURY,

*Secretary of the Treasury, Washington, D. C.*

F 4.

BANK OF THE UNITED STATES, *August 1, 1838.*

I hereby certify that Charles Macalester, Esq., has this day deposited to the credit of the Treasurer of the United States, in special deposit, the sum of two million two hundred and fifty-four thousand eight hundred and seventy-one dollars and thirty-eight cents, subject to the drafts of the said Treasurer.

J. COWPERTHWAIT, *Cashier.*

F 5.

BANK OF THE UNITED STATES, *August 9, 1838.*

DEAR SIR: It was my intention to visit Washington for the purpose of conferring with you as to the arrangements for paying the bond of this bank, due in September next; but not being able to leave Philadelphia at the present moment, I have requested Mr. Dunlap, one of the assistant cashiers, to go to Washington and receive your views on the subject, instructing him particularly to ascertain what mode of disbursement will be most convenient to the department, and agreeable to yourself.

With great respect, yours,

N. BIDDLE, *President.*

HON. LEVI WOODBURY,

*Secretary of the Treasury, Washington, D. C.*

F 6.

TREASURY DEPARTMENT, *August 11, 1838.*

DEAR SIR: Yours of the 9th instant has been received, by the hand of Mr. Dunlap. I have conversed with him as to the mode of paying the

bond which falls due in September next, and am willing to carry into effect the arrangement concerning it, which was detailed in my correspondence with Mr. Macalester.

Any slight modification in that which may be convenient to the bank, I will be happy to sanction. But in order to complete the arrangement, it will be necessary that I should be furnished with a list of the banks at the different places where the drafts drawn on your institution, payable at those banks, will be honored, with the amount that will be paid at each of them.

Copies of my correspondence with Mr. Macalester in relation to this subject are enclosed, (1 to 4,) which will explain fully my views in relation to it.

Mr. Dunlap has mentioned a desire to make a similar arrangement for paying some of our drafts on the deposits now in your bank, on account of the sale of the other bond that was payable in September, 1839.

I have no objection to receive a portion of that money at other points than Philadelphia, if the places and amounts are designated, and are found to be not inconsistent with the public interest.

It will be necessary also to furnish me with the names of the banks which will honor those drafts. But the manner of drawing for that money now, without any such arrangement, will be favorable, as it will generally be in behalf of distant officers and creditors, so that most of the drafts are not likely to come back to the bank under a period, ranging from thirty to ninety days. Nor will they probably exceed from half a million to three-fourths of a million per month in amount. Such, at least, are the decided indications as to the wants of this department, during the three months ensuing.

Respectfully, yours,

LEVI WOODBURY,  
*Secretary of the Treasury.*

N. BIDDLE, Esq.,

*President Bank of the United States, Philadelphia.*

(Enclosures.)

No. 1.

JULY 23, 1838.

DEAR SIR: If you will write me a private note saying when you will want or accept payment of the bond due in September next, dividing the payments into three instalments—say 15th August, 15th September, and 15th October—I will make you a formal proposition for its extinguishment.

I am truly, &c.,

C. MACALESTER.

HON. LEVI WOODBURY.



No. 2.

TREASURY DEPARTMENT, *July 24, 1838.*

DEAR SIR: In reply to your note of yesterday, concerning the convenience of receiving payment, in three instalments, about the middle of August, September, and October, of the bond of the United States Bank falling due in September next, with other inquiries, I would submit the following inquiries.

It will be agreeable to the department, if more convenient to the bank, to receive the amount of the bond in such instalments, stopping the interest on the amounts when the payments are respectively made, or, if not made into a public depository, when the instalment becomes due and the Treasurer is notified that the money is subject to his draft.

But, as the department is without convenient public depositories at most places where the money will probably be paid, the manner of effecting the payments will have to be, generally, by drafts of the Treasurer on the Bank of the United States, payable at the banks in the different cities which may be agents of the obligor for that purpose, and designated beforehand to the department.

In that mode, I am willing to accept each of the three instalments in Philadelphia or New York, or, if preferred by the bank, at the following places, and in the following amounts, viz:

|                     |   |   |   |   |   |           |
|---------------------|---|---|---|---|---|-----------|
| At Boston           | - | - | - | - | - | \$100,000 |
| Charleston          | - | - | - | - | - | 100,000   |
| New Orleans         | - | - | - | - | - | 150,000   |
| Norfolk             | - | - | - | - | - | 50,000    |
| Philadelphia        | - | - | - | - | - | 100,000   |
| Pensacola or Mobile | - | - | - | - | - | 100,000   |
| Nashville           | - | - | - | - | - | 100,000   |
| Washington, D. C.   | - | - | - | - | - | 100,000   |

Any modification of the places or sums desired by the bank, and not inconvenient to the department or the public creditors, will be acceded to.

In all cases, however, it is of course understood that the payments will be made in specie or its equivalent.

I remain, &c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

C. MACALESTER, Esq., *Philadelphia.*

No. 3.

PHILADELPHIA, *July 25, 1838.*

DEAR SIR: In reply to your favor of the 24th inst., I have the honor to inform you that the terms suggested by you are accepted, and that the bond of the Bank of the United States, falling due in September next, will be paid in three instalments of one third each, on the 15th of August, September, and October next, respectively. The payments to be made by placing these several instalments to the credit of the Treasurer of the Uni-

ted States, in the Bank of the United, and the Treasurer will then issue his drafts on the bank, payable at the banks or agencies of the Bank of the United States in the several cities mentioned in your letter. The names of these banks or agencies will be communicated to you in due season. The bank is anxious to conform in every particular to your suggestions, but there are some modifications of the times and places of payments, which would be desirable to the bank, if not inconsistent with the public service; and as you have been good enough to say that you would consider any proposals for that purpose, some variations, not interfering, it is hoped, with the convenience of the Treasury, will be presented to your notice hereafter. In the mean time, my present purpose is to apprise you that the terms are satisfactory, and that the arrangements will be carried into effect in the manner suggested by you.

With great respect, yours,

C. MACALESTER.

To the Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington.*

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No. 4.

WASHINGTON, *July 27, 1838.*

DEAR SIR: Your two letters of the 25th inst. have been received. I will be happy to make any changes proposed as to the places and amounts to be drawn for, in connexion with the bond due in September, if they do not subject the department to great inconvenience, as I presume they will not. I will take \$50,000 at St. Louis, or Detroit, or at both if desired.

The other matter, in respect to the notice of some other places named in my former letters, of the sale of the other bond, &c., I will see to.

You will receive my official reply to the offer Monday, if not Sunday.

Yours truly,

LEVI WOODBURY.

CHAS. MACALESTER, Esq.,

*Philadelphia.*

P. S.—I send you a copy of the computation of par value.

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F 7.

BANK OF THE UNITED STATES, *August 13, 1838.*

DEAR SIR: The report which Mr. Dunlap has made of his interview with you induces me to believe that you could not be aware of what had occurred between this bank and the War Department, in respect to the bond of 1839; and I think it, therefore, due to you to state precisely the footing upon which that matter stands. Before making any offer for this bond, I had the distinct assurance from the Secretary of War that although "the bond cannot legally be transferred to the use of the War Department, but you may rely explicitly on the strict performance of the terms of agreement

which I may informally enter into with you;" and "if you become the purchaser the amount will be deposited in your bank, to be drawn for as required, which will not exceed \$500,000 a month. This money will be wanted at the south and west, and the manner of drawing for it may be a subject of future arrangement between us." Accordingly, I received from the War Department a detailed statement of the times, and places, and amounts of the disbursements for the next three months, including the month of July; but as the acceptance of the offer to purchase the bond was not made known to the bank until the end of July, it became necessary to have a new list, which the department has for some days been occupied in preparing. You will perceive, from this statement, that I relied confidently on the facts that the disbursements for this bond were to be arranged exclusively with the War Department, and that the arrangements were actually made to pay the money in the south and west.

It was, therefore, with great surprise that we received notice from the Treasurer of his drafts to the amount of \$330,000, payable in Philadelphia, and much of it drawn in favor of public officers and agents in Philadelphia. Although this seemed to be an entire departure from the terms of purchase, still I would not permit any draft from the Treasurer not to be duly honored. But I think it right to bring the subject to your notice without delay, and to suggest, with perfect respect, whether, under all these circumstances, it would not be advisable to abstain from drawing upon that fund any further drafts until some communication is received from the Secretary of War, to whom, I understand, the acting Secretary wrote immediately after his interview with you on the 11th instant.

I have the honor to be, with great respect, yours,

N. BIDDLE, *President.*

HON. LEVI WOODBURY,

*Secretary of the Treasury, Washington, D. C.*

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F 8.

BANK OF THE UNITED STATES, *August 13, 1838.*

DEAR SIR: I have had the pleasure of receiving your favor of the 11th instant. Combining the views therein expressed with your letters of the 24th and 27th ultimo, to Mr. Macalester, I have presumed that it would not be inconvenient to the public service, that the appropriation of \$100,000 for Boston should be supplied by one of \$50,000 at Detroit, and another of \$50,000 at St. Louis, and have so arranged it, subject of course to change if more acceptable to you. Accordingly there will, on the 15th of this month, be placed to the credit of the Treasurer of the United States, in this bank, the first instalment of the bond due to the Government in September next, which instalment amounts to \$800,000, to be drawn for by the said Treasurer, payable at the following places, by the following agents, respectively:

At New Orleans, by the Merchants' Bank, for sums not exceeding in the whole \$150,000. At Mobile, by George Poe, jr., agent of this bank, for sums not exceeding \$100,000. At Charleston, by the Bank of Charleston, for the same amount. At Washington, D. C., by Richard Smith, agent, for the same amount. At Norfolk, by H. Allmand, agent of this bank, for

\$50,000. At Philadelphia, by the bank itself, for \$100,000. For Michigan, by the branch of this bank at Erie, Pennsylvania, for \$50,000. At St. Louis, by Messrs. Collier & Pettis, of St. Louis, for \$50,000.

The other instalments will be passed to the credit of the Treasurer of the United States in this bank, and payable at the same places, and in the same amounts, as near as may be necessary to pay the whole amount of the bond, on the 15th days of September and October next, respectively. Should any change in these arrangements be advisable, you will have the goodness to apprise me of it. In the mean time I remain,

Very respectfully,

N. BIDDLE, *President.*

Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington, D. C.*

F 9.

TREASURY DEPARTMENT, *August 15, 1838.*

SIR: I have the honor to acknowledge the receipt of your letter of August 13, in relation to the bond of 1839. The records of this department, by which alone I can be governed, contain no allusion to any such agreement with the Department of War as is referred to in your letter.

I shall, however, endeavor to avoid making any further drafts on you at Philadelphia, on the proceeds of that bond, till Mr. Woodbury returns to the city, which will be about the end of the week.

I am, &c.,

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

To the PRESIDENT of the Bank U. S., Philadelphia.

F 10.

TREASURY DEPARTMENT, *August 15, 1838.*

SIR: In reply to your letter of the 13th instant, respecting the first instalment of the bond of 1838, I have to inform you that the Treasurer will issue drafts for the amount placed to his credit, as advised, payable at the places designated, with the exception of the \$50,000 at Erie, and the \$50,000 at St. Louis. The change you propose to those points instead of Boston, can be suspended until the return of the Secretary, which, as advised in my letter of this date to you, is expected about the end of the week.

I am, &c.,

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

N. BIDDLE, Esq.,

*President Bank United States, Philadelphia.*



## F 11.

BANK OF THE UNITED STATES, *August 15, 1838.*

SIR: Referring to the letter of the president, under date of the 13th instant, I have now the honor to inform you that the first instalment, in anticipation of the bond due in September next, amounting to eight hundred thousand dollars, has this day been placed to the credit of the Treasurer of the United States in this bank, payable at the following places by drafts of the Treasurer, for the amounts undermentioned, respectively, viz:

One hundred and fifty thousand dollars at the Merchants' Bank, New Orleans.

One hundred thousand dollars at Mobile.

One hundred thousand dollars at Nashville.

One hundred thousand dollars at Charleston.

One hundred thousand dollars at Washington, D. C.

One hundred thousand dollars at Philadelphia.

Fifty thousand dollars at Norfolk.

Fifty thousand dollars at Erie.

Fifty thousand dollars at St. Louis.

The agents of the bank have all been designated in the letter above referred to.

I have the honor to be, with great respect, sir, your obedient servant,

J. COWPERTHWAIT, *Cashier.*

HON. LEVI WOODBURY,

*Secretary of the Treasury, Washington.*

## F 12.

TREASURY DEPARTMENT, *August 18, 1838.*

SIR: Your letter of the 15th instant has been received. Since my communication of the 15th, addressed to the president of the bank, in relation to the first instalment on the bond due in September next, I have concluded to accept the change proposed, of meeting the Treasurer's drafts for \$50,000 at St. Louis, and \$50,000 at Erie, instead of having \$100,000 placed to his credit at Boston; he will, therefore, be instructed to draw on your bank, payable at those places, for those amounts.

It is probably not necessary to state to you, that the drafts of the Treasurer, drawn on this instalment on the bond of 1838, are expected to be paid on presentation, at the points where made payable, without having previously been presented at Philadelphia for acceptance.

I am, &c.,

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

J. COWPERTHWAIT, Esq.,

*Cashier of the Bank of the United States, Philadelphia.*

F 13.

TREASURY DEPARTMENT, *August 19, 1838.*

SIR : The Secretary has not yet returned to Washington. He authorizes me to state, that in an interview he had with Mr. Dunlap, one of your cashiers, he explained fully to him his surprise at his communication concerning the correspondence with Mr. Poinsett.

It was never suspected that any such arrangement as that stated was contemplated to be carried into effect in respect to the bond of 1839, at the time it was sold. In the correspondence and interview with Mr. Macalester nothing of the kind, in relation to this bond, was mentioned by him; but as to the bond of 1838, the Secretary and Mr. Macalester did correspond and make the preliminary arrangement which has now been completed.

The Secretary regrets the misapprehension in regard to this subject, and he will be happy to do, on his part, all which is feasible to enter into the views entertained between you and Mr. Poinsett, and carry them out with as little delay and inconvenience as possible. He requests you will furnish him, by return of mail, if practicable, with a list of the banks or agents who will pay the sums at the particular places arranged between you and the Secretary of War, and the amount to be paid by each on the drafts of the Treasurer on your bank, payable at those points.

I am, &c.,

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

N. BIDDLE, Esq.,

*President Bank of the United States, Philadelphia.*

F 14.

BANK OF THE UNITED STATES, *August 22, 1838.*

SIR : In the absence of the president of the bank, I have the honor to acknowledge the receipt of your letter addressed to him, dated the 19th instant. Its contents will receive his immediate attention on his return, which will probably be to day. In the mean time I transmit, herein, a list of the agents who will pay the drafts of the Treasurer of the United States at most of the points designated by the Secretary of War, with the amounts to each. A further list will follow in a day or two.

I take this occasion to say, in reply to your letter to me of the 18th instant, that all the drafts of the Treasurer of the United States will be paid on presentation at the points where made payable, without being presented at this bank for acceptance.

I have the honor to be, with great respect, your obedient servant,

J. COWPERTHWAIT, *Cashier.*

McCLINTOCK YOUNG, Esq.,

*Acting Secretary of the Treasury, Washington.*

(Enclosure of F 14.)

*List of agents who will pay the drafts of the Treasurer of the United States drawn on the Bank of the United States, and made payable at the points designated below, in the months of August, September, and October, 1838, say one-third of the amounts named in each of the said months.*

|  |                     |
|--|---------------------|
| James Coney, cashier office Bank of the United States, Pittsburgh        | \$50,000            |
| G. C. Gwathmey, cashier Bank of Kentucky, Louisville                     | 50,000              |
| M. T. Scott, cashier Northern Bank of Kentucky, Lexington                | 50,000              |
| Jas. Hall, cashier Commercial Bank, Cincinnati                           | 100,000             |
| George Poe, jr., agent Bank of the United States, Mobile, Ala.           | 200,000             |
| Collier & Pettis, St. Louis  | 150,000             |
| W. W. Frazier, cashier Merchants' Bank, New Orleans                      | 200,000             |
| Jas. Hunter, cashier Insurance Bank of Columbus, branch at Savannah      | 50,000              |
| Joseph L. Roberts, cashier Insurance Bank of Columbus, Columbus, Georgia | 50,000              |
| H. Allmand, jr., agent Bank of the United States, Norfolk                | 50,000              |
|  | <hr/> 950,000 <hr/> |

## F 15.

TREASURY DEPARTMENT, August 24, 1838.

SIR: Your communication, dated the 22d, enclosing a list of agents who will pay the drafts of the Treasurer of the United States, on the Bank of the United States, to certain amounts, has been received. It will give me pleasure to instruct the Treasurer to draw accordingly for those amounts, on account of the special deposit made for the bond of the bank due in 1839, and sold to Mr. Macalester.

I am, &amp;c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

J. COWPERTHWAIT, Esq.,  
*Cashier of the Bank of United States, Philadelphia.*

## F 16.

TREASURY DEPARTMENT, August 24, 1838.

SIR: In designating the rest of the places and amounts at which the United States Bank proposes to make payments during the ensuing few months, if a larger amount could, without inconvenience, be paid at Nashville or at Little Rock than has been heretofore desired by the War Department, the change would be agreeable, as that department has, within a few days, made new arrangements, rendering such a change eligible.

Respectfully, yours,

LEVI WOODBURY,  
*Secretary of the Treasury.*

N. BIDDLE, Esq.,  
*President of the Bank of United States, Philadelphia.*

F 17.

BANK OF THE UNITED STATES, *August 27, 1838.*

SIR: I had this morning the pleasure of receiving your favor of the 25th instant, and hasten to say that any increase of the disbursements of the War Department at Nashville or Little Rock, which may be convenient for the public service, will be cheerfully adopted by the bank.

With a view to spare, as much as possible, time and trouble to your department in adjusting these details, I had, previous to the receipt of your letter, directed Mr. Dunlap to wait on you. He had intended to be in Washington this day, but has been accidentally detained, and will not be able to see you until Wednesday morning. Referring you to him, I remain,

Very respectfully, yours,

N. BIDDLE, *President.*

HON. LEVI WOODBURY,  
*Secretary of the Treasury.*

F 18.

TREASURY DEPARTMENT, *September 4, 1838.*

DEAR SIR: I expected to have received, ere this, a statement, to enable the department to draw this month and the next, for five or six hundred thousand dollars on the United States Bank, payable at Athens, Tennessee. Being anxious to close the arrangement in relation to that subject, before I leave the city on Saturday next, and in the manner contemplated, when Mr. Dunlap was last here, I should be happy to hear from you by return of mail, if convenient.

Yours, &amp;c.,

LEVI WOODBURY,

*Secretary of the Treasury.*

CASHIER of the Bank of the United States,  
*Philadelphia.*

F 19.

BANK OF THE UNITED STATES, *September 6, 1838.*

SIR: Your letter of the 4th instant, to the cashier, was received this morning. He is now confined to bed by indisposition; and domestic affliction in my own family, ever since my return from Washington, will suggest an apology for the delay in addressing you as I had promised.

I beg leave to inform you now that your drafts on this bank, to the extent of three hundred thousand dollars, payable at the Planters' Bank of Tennessee, at Athens, and the like amount payable at Little Rock, Arkansas, by Joseph L. Roberts, will be duly honored; the first sum to be drawn during

September and October, the last during October and November. If the public service calls for it, the bank will augment the amounts at these two points.

I have the honor to be your most obedient servant,

J. DUNLAP, *Acting Cashier.*

Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington.*

F 20.

TREASURY DEPARTMENT, *September 8, 1838.*

SIR: I have to acknowledge the receipt of your letter of the 6th instant, and will be happy to direct the Treasurer to place drafts upon the bank as therein proposed. Should the department need a greater amount of funds at either Athens or Little Rock, for disbursement on account of the removal of the Cherokees, due notice will be given; and I feel obliged by the willingness expressed on the part of the bank to provide the money at the place where it may be desired.

I am, &c.,

LEVI WOODBURY,  
*Secretary of the Treasury.*

J. DUNLAP, Esq.,

*Acting cashier of the Bank of United States.*

P. S.—The next instalment on the bond due this month will be deposited on the 15th. It is hoped that the Treasurer can proceed to draw on it, as needed.

F 21.

BANK OF THE UNITED STATES, *September 11, 1838.*

SIR: I have the honor to acknowledge the receipt of your letter of the 8th instant, addressed to Mr. Dunlap. The instalment for the bond due in this month, will be placed to the credit of the Treasurer of the United States on the 15th instant; of which due advice will be given.

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

J. COWPERTHWAIT, *Cashier.*

Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington.*

F 22.

BANK OF THE UNITED STATES, *September 15, 1838.*

SIR: In conformity with our arrangement, I have the honor to inform you that the second instalment in anticipation of the bond due in Septem-



ber, amounting to \$800,000 has this day been placed to the credit of the Treasurer of the United States, in this bank, payable at the following places, by drafts of the Treasurer for the amounts under named respectively, namely:

\$150,000 at the Merchants' Bank, New Orleans.

\$100,000 at Mobile.

\$100,000 at Nashville.

\$100,000 at Charleston.

\$100,000 at Washington, D. C.

\$100,000 at Philadelphia.

\$50,000 at Norfolk.

\$50,000 at Erie.

\$50,000 at St. Louis.

The agents of the bank have all been heretofore designated.

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

J. COWPERTHWAIT, *Cashier.*

Hon. LEVI WOODBURY,

*Secretary of the Treasury, Washington.*

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F 23.

TREASURY DEPARTMENT, *September 21, 1838.*

SIR: The Secretary of the Navy has transmitted to this department the enclosed copy of a letter from the navy agent at Pensacola, by which you will perceive that one of the drafts placed by the Treasurer of the United States upon your bank, made payable at Mobile, in pursuance of the proposition contained in your letter to the Secretary of the Treasury of the 13th of August last, has been dishonored by your agent at that place.

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

McCLINTOCK YOUNG,

*Acting Secretary of the Treasury.*

N. BIDDLE, Esq.,

*President of the United States Bank of Pennsylvania.*

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(Enclosure of F 23.)

NAVY DEPARTMENT, *September 20, 1838.*

SIR: I have the honor to enclose, for your information, a copy of a letter this day received from the navy agent at Pensacola, dated the 8th instant.

I am, very respectfully, your obedient servant,

J. K. PAULDING.

Hon. LEVI WOODBURY,

*Secretary of the Treasury.*

(Second enclosure of F 23.)

NAVY AGENT'S OFFICE,  
*Pensacola, September 8, 1838.*

SIR: I have the honor to inform you that, immediately after the receipt of the draft signed by John Campbell, Esq., Treasurer of the United States, on George Poe, jr., agent at Mobile for the Pennsylvania Bank of the United States, for the sum of \$37,534, intended to meet the expenses of the West India squadron, and Pensacola navy yard and station for the month of August, I despatched N. Wilson, Esq., purser United States navy, to Mobile to receive the money. On presenting the draft to the agent he declined paying it in anything resembling money more than Mobile paper; consequently, it has been duly protested for non-payment and non-acceptance. Mr. Wilson was intrusted to receive in payment of the draft, specie, Treasury notes, or drafts on the Pennsylvania Bank of the United States at Philadelphia, all of which were refused.

I would respectfully remark that Mobile paper is, at this time, twelve or fifteen per cent. below specie value. I will endeavor to dispose of the draft for such funds as will best satisfy the creditors of the Government, and sustain, as far as possible, the public credit.

I have the honor to be, &c.,

THOMAS EASTIN, *Navy Agent.*

Hon. J. K. PAULDING,  
*Secretary of the Navy.*

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F 24.

BANK OF THE UNITED STATES, *September 21, 1838.*

SIR: We have been recently informed that some delay has accidentally occurred in the payment of one of the drafts of your department, payable at Mobile.

This has been, undoubtedly, put right before this letter will reach you, and is solely attributable to the absence of our agent, Mr. George Poe, who has been at the north for some time. The gentleman acting for him in his absence had not then received such instructions, as he conceived, as warranted his instantaneous payment of the draft. No inconvenience I trust has arisen from the momentary delay, and we do not anticipate the possibility of its recurrence there, or at any other point of payment which our instructions shall have had time to reach.

I have the honor to be, sir, very respectfully, your most obedient servant,  
J. DUNLAP, *Acting Cashier.*

McCLINTOCK YOUNG, Esq.,  
*Acting Secretary of the Treasury, Washington.*

F 25.

BANK OF THE UNITED STATES,  
September 22, 1838.

SIR: I was this evening favored with your letter of the 21st instant. The circumstance to which it relates was a matter of equal surprise and regret to me; but it was merely accidental, owing, I believe, to the absence of the agent of the bank from Mobile, when the draft was presented. As soon as the difficulty was made known to the agent of the bank in New Orleans, it was immediately removed by the payment of the draft—\$17,000 in specie and \$20,000 in funds more valuable than specie. Will you have the goodness to apprise the Secretary of the Navy of this fact, and believe me,

With great respect, &c.,

N. BIDDLE, *President.*

McCLINTOCK YOUNG, Esq.,

*Acting Secretary of the Treasury, Washington, D. C.*

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F 26.

NAVY DEPARTMENT, September 25, 1838.

SIR: The explanation contained in the copy of the letter of the president of the United States Bank of Pennsylvania, referring to the matter of the protested draft on the agent of that institution at Mobile, enclosed in your letter of yesterday's date, is satisfactory to this department.

It may not be improper, however, to remark, that a difference exists between the statement of the navy agent and the information upon which it is presumed Mr. Biddle founds his belief that the draft was presented in the absence of the agent of the bank. The navy agent expressly says, that the draft was presented at Mobile to that functionary.

I am, very respectfully, your obedient servant,

J. K. PAULDING.

McCLINTOCK YOUNG, Esq.,

*Acting Secretary of the Treasury.*

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F 27.

BANK OF THE UNITED STATES, October 3, 1838.

SIR: As we shall, on the 15th of this month, pass to the credit of the Treasurer of the United States the remaining third instalment of the bond of this year, it has occurred to me that it might be agreeable to you, and convenient to the service, to transfer the payment of it, or some portions of it, from some of the places heretofore selected, to such points in Florida as disbursements there might require.

We are desirous of making all these payments in the way and at the times and places most agreeable to yourself, and best calculated to promote

the good of the service ; and, if it should be wished, we will make timely arrangements for such amounts as you may suggest, at St. Augustine, and other points in Florida.

I have the honor to be, very respectfully, your obedient servant,  
J. DUNLAP, *Acting Cashier.*

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

F 28.

TREASURY DEPARTMENT, *October 5, 1835.*

Sir : I have to acknowledge the receipt of your letter of the 3d instant, and beg you to accept my thanks for the offer therein contained. But, under the arrangements already made, it would be preferable to this department to place drafts upon your bank for the last instalment of the bond due the present year, at the points heretofore designated, rather than add to the sum to be paid for the service in Florida, for which a sufficient amount for immediate disbursement is already provided.

I am, sir, respectfully, your obedient servant,

LEVI WOODBURY,  
*Secretary of the Treasury.*

J. DUNLAP, Esq.,  
*Acting Cashier of the Pennsylvania Bank of the United States.*

## G 1.

*Statement showing the amounts and dates of deposits to credit of the Treasurer of the United States, made by the Bank of the United States, on account of the second and third bonds of said bank.*

| Date of bank returns. |    | Date of deposits. |    | By whom made.                            | Amount.        |
|-----------------------|----|-------------------|----|--|----------------|
| 1838.                 |    | 1838.             |    |  |                |
| August                | 18 | August            | 1  | C. Macalester, 2d bond                   | \$2,254,871 38 |
| August                | 18 | August            | 15 | Bank of U. States, on account of 3d bond | 800,000 00     |
| September             | 15 | September         | 15 | Bank of U. States, on account of 3d bond | 800,000 00     |
| October               | 20 | October           | 15 | Bank of U. States, on account of 3d bond | 687,230 84     |
|                       |    |                   |    |  | 2,287,230 84   |
| Aggregate             | -  | -                 | -  | -  | 4,542,102 22   |

TREASURER'S OFFICE, *December 22, 1838.*

JOHN CAMPBELL,  
*Treasurer of the United States.*

## G 2.

*Statement in compliance with the third head of inquiry of the resolution of the Senate of the United States of 20th December, instant, showing what sums of the public money have in any way been deposited in the Bank of the United States, other than those derived from the payment or sales of its bonds.*

September 22, 1838. Deposited by Bank of Kentucky, of Louisville, transferred on account of debt due by the said bank; being so much on account of debt due by the Bank of Kentucky, assumed by the Bank of the United States, and placed to credit of the Treasurer in special account - \$300,000 00

TREASURER'S OFFICE, *December 22, 1838.*

JOHN CAMPBELL,  
*Treasurer of the United States.*



## G 3.

*Statement, in compliance with the fourth head of inquiry of the resolution of the Senate of the United States of 20th December, instant, showing the aggregate weekly balance to the credit of the Treasurer in the Bank of the United States, its branches, or agencies; also, the balance subject to draft at same time, as well as the weekly aggregate balance in the Treasury from 1st August to 17th December.*

| Date.        |   | Aggregate weekly<br>balance in Bank of<br>the United States. | Aggregate weekly<br>balance subject to<br>draft. | Aggregate weekly<br>balance in the Treas-<br>ury. |
|--------------|---|--|--|---|
| August 1     | - | \$2,254,871 38   |  |   |
| August 6     | - | 2,254,871 38   |  | \$35,353,553 02                                   |
| August 13    | - | 2,254,871 38   | \$1,918,100 50                                   | 37,686,847 61                                     |
| August 20    | - | 2,254,871 38   | 1,797,567 52                                     | 37,423,675 28                                     |
| August 27    | - | 2,959,064 03   | 2,526,938 07                                     | 37,346,259 64                                     |
| September 1  | - | 2,936,622 82   | 2,262,640 90                                     | 36,978,057 64                                     |
| September 8  | - | 2,868,282 19   | 2,102,569 19                                     | 36,766,749 89                                     |
| September 15 | - | 2,791,867 87   | 1,720,760 58                                     | 36,426,035 10                                     |
| September 22 | - | 3,470,147 09   | 2,237,226 88                                     | 36,934,912 33                                     |
| September 30 | - | 3,349,490 32   | 1,988,236 86                                     | 36,421,990 15                                     |
| October 8    | - | 3,263,783 22   | 1,835,115 53                                     | 36,426,170 36                                     |
| October 15   | - | 3,057,695 43   | 1,590,347 90                                     | 36,007,810 85                                     |
| October 22   | - | 2,955,803 97   | 1,512,348 76                                     | 35,969,742 54                                     |
| October 29   | - | 3,348,362 17   | 2,048,657 61                                     | 36,242,120 11                                     |
| November 5   | - | 2,992,454 39   | 1,941,026 41                                     | 35,974,172 69                                     |
| November 12  | - | 2,769,742 26   | 1,934,717 12                                     | 35,709,291 21                                     |
| November 19  | - | 2,621,189 28   | 1,864,449 12                                     | 36,120,500 47                                     |
| November 26  | - | 2,595,669 28   | 1,843,116 14                                     | 36,098,592 99                                     |
| December 3   | - | 2,427,204 63   | 1,738,488 36                                     | 35,734,891 22                                     |
| December 10  | - | 2,375,190 39   | 1,710,904 36                                     | 35,899,733 37                                     |
| December 17  | - | 2,193,972 32   | 1,582,317 98                                     | 35,787,704 89                                     |

NOTE.—The above aggregate weekly balance was in a great measure inapplicable to public purposes; being deposited with the States, and in banks which had given bonds under the extension authorized by law, trust funds, held on account of Indians, &c.

TREASURER'S OFFICE, December 22, 1838.

JOHN CAMPBELL,  
*Treasurer of the United States.*

## G 4.

*Statement, in compliance with the fifth head of inquiry of the resolution of the Senate of the United States of 20th December, instant, showing a list of all the branches or agents of the Bank of the United States by whom the drafts of the Treasurer of the United States on said bank would be paid ; the amount of public money agreed to be paid by the bank at each ; and of drafts severally drawn, payable by them respectively.*

| List of branches or agents.           | Amount agreed to be placed at each branch or agency. | Amount of drafts on each branch or agent. |
|---------------------------------------|--|---|
| Bank at Philadelphia, Pennsylvania -  | -  | \$634,449 35                              |
| Branch at Erie, do. -                 | \$100,293 30   | 100,293 30                                |
| Branch at Pittsburgh, do. -           | 50,000 00  | 33,226 20                                 |
| Agent at Washington, Dist. Columbia - | 300,000 00   | 205,962 39                                |
| Agent at Norfolk, Virginia -          | 150,000 00   | 117,212 80                                |
| Agent at Charleston, South Carolina - | 300,000 00   | 229,913 94                                |
| Agent at Savannah, Georgia -          | 50,000 00  | 50,000 00                                 |
| Agent at Columbus Georgia -           | 50,000 00  | 50,000 00                                 |
| Agent at Mobile, Alabama -            | 500,000 00   | 250,909 59                                |
| Agent at New Orleans, Louisiana -     | 650,000 00   | 398,571 84                                |
| Agent at Nashville, Tennessee -       | 300,000 00   | 299,931 03                                |
| Agent at Athens, Tennessee -          | 300,000 00   | 300,000 00                                |
| Agent at St. Louis, Missouri -        | 286,937 54   | 286,937 54                                |
| Agent at Louisville, Kentucky -       | 50,000 00  | 41,500 00                                 |
| Agent at Lexington, Kentucky -        | 50,000 00  | 12,236 26                                 |
| Agent at Little Rock, Arkansas -      | 300,000 00   | 191,000 00                                |
| Agent at Cincinnati, Ohio -           | 100,000 00   | 57,640 00                                 |
|                                       | 3,537,230 84   | 3,259,784 24                              |

TREASURER'S OFFICE, *December 22, 1838.*

JOHN CAMPBELL,  
*Treasurer of the United States.*

## H.

*Table of exchanges, quoted from prices current.*

| At what place.         | At what date.  | Exchange on Philadelphia or on the east. | Specie.     | Treasury notes. | United States Bank notes. |
|------------------------|----------------|--|-------------|-----------------|---------------------------|
| Nashville, Tennessee   | July 20, 1838  | 8½ to 9 p.                               | 9 to 11 p.  | 10 p.           | 9 to 10 p.                |
| Natchez, Mississippi   | Sept. 12, 1838 | 15 to 16 p.                              | 18 p.       | 17 to 18 p.     | 17 to 18 p.               |
| New Orleans, Louisiana | Sept. 24, 1838 | 3 p.                                     | 3½ p.       | 4½ p.           | 3½ p.                     |
| Do. do.                | June 23, 1838  | 7 p.                                     | 6 to 7 p.   | 6½ to 7½ p.     | 6½ to 7½ p.               |
| Mobile, Alabama        | June 23, 1838  | 11 to 12 p.                              | 16 to 17 p. | 18 p.           | 17 p.                     |
| Do. do.                | June 15, 1838  | 10 p.                                    | 15 to 18 p. | 15 to 16 p.     | 13 to 15 p.               |
| Do. do.                | June 28, 1838  | 11 to 12 p.                              | 16 to 18 p. | 18 p.           | 17 p.                     |
| Do. do.                | July 5, 1838   | 11 to 12 p.                              | 16 to 18 p. | 17 p.           | 16 p.                     |
| Do. do.                | July 13, 1838  | 14 to 15 p.                              | 16 to 18 p. | 16 to 16½ p.    | 16 to 17 p.               |
| Augusta, Georgia       | July 19, 1838  | 5 p.                                     | —           | 6 p.            |                           |
| Richmond, Virginia     | June 22, 1838  | 1½ p.                                    | 3 p.        | 3 p.            | ¾ to 1 p.                 |

## I.

*Resolved*, That the Secretary of the Treasury communicate to the Senate, at as early a day as practicable, the information called for under the following heads of inquiry :

1. The period at which the third bond of the Bank of the United States, sold to that institution, amounting to \$2,254,871 38, was placed to the credit of the Treasurer on the books of the bank ; the terms on which it was negotiated, the person acting on behalf of the bank, with whom the negotiation was made, the particulars of any understanding or agreement that the proceeds of the same should be left on deposit with the said bank until wanted in the ordinary disbursements of the Government ; and what understanding or arrangement, if any, has taken place respecting the benefit which might accrue to the bank in the transfer of money it should make to distant places on account of the Government.

2. The period when the sum of \$1,600,000, in part payment of the second bond of the Bank of the United States, was placed to the credit of the Treasurer by that bank ; and the nature of the agreement or understanding had in reference to the payment of a part of said bond before, and of another part after, it became due.

3. Whether any sum or sums of the public money have been deposited in the Bank of the United States other than those derived from the payment or sale of its bonds ; if so, the amount and date of each deposit, and by whom and by whose authority and direction they were made.

4. The aggregate balance standing weekly to the credit of the Treasurer in the Bank of the United States, its branches or agencies ; whether subject to draft or not ; as well as the weekly aggregate balance in the Treasury from the time the first deposit was made in the said bank of moneys arising from the payment or sale of its bonds up to the present period.

5. A list of all the branches or agencies of the said Bank of the United States on which the Treasury Department has drawn drafts ; the amount of public moneys directed to be placed at each, and of the drafts severally drawn on them, and the rates of exchange between Philadelphia and each of the places to which sums were ordered to be transferred.

6. The amount, so far as it can be conveniently ascertained, that has been drawn from the Bank of the United States, its branches or agencies, in notes of said bank, for paying Indian annuities, or other claims of the Indians on the Government, or for defraying the expenses attending the removal of the Indians : and in general the nature of the "arrangements," if any, "made for the more distant public disbursements in the notes of the bank," together with all the correspondence, agreements, and instructions, given or entered into, connected with any or all the heads of inquiry above stated.

Also, that he communicate the nature of the arrangements made with him by those banks in which, according to his report of the 3d inst., portions of the public money have been "placed to the credit of the Treasurer on special deposits," the kinds of money in which the said "special deposits" were made, whether the same were entered on the books of the bank, whether the identical moneys deposited have continued to be held by the banks, whether the drafts of the Treasury Department that have been drawn on those deposits have been paid in the specific moneys deposited, and whether the balances remaining are part and parcel of the very moneys originally deposited.