

of the public would be the prospect of substantial aids to its pecuniary means at the present crisis and during the sequel of the war. It is evident that the stock of the bank will on the return of peace, if not sooner, rise in the market to a value which if the bank were established in a period of peace, would authorize and obtain for the public a bonus to a very large amount. In lieu of such a bonus the government is fairly entitled to, and ought not to relinquish or risk, the essential services of the bank under the pressing circumstances of war.

2. The bank, as proposed to be constituted, cannot be relied on during the war, to provide a circulating medium, nor to furnish loans, or anticipations of the public revenue.

Without a medium, the taxes cannot be collected; and in the absence of specie, the medium understood to be the best substitute, is that of notes issued by a national bank. The proposed bank will commend and conduct its operations under an obligation to pay its notes in specie, or be subject to the loss of its charter. Without such an obligation the notes of the bank though not exchangeable for specie, yet resting on good pledges and performing the uses of specie, in the payment of taxes, and in other public transactions, would, as experience has ascertained, qualify the bank to supply at once a circulating medium, and pecuniary aids to the government. Under the fetters imposed by the bill, it is manifest, that during the war, the period particularly requiring such a medium and such a resource for loans and advances to the government, notes for which the bank would be compellable to give specie in exchange could not be kept in circulation. The most the bank could effect and the most it could be expected to aim at, would be to keep the institution alive by limited and local transactions, which, with the interest on public stock in the bank, might yield a dividend sufficient for the purpose, until a change from war to peace should enable it, by a flow of specie into its vault, and a removal of the external demand for it, to derive its contemplated emolument from a safe and full extension of its operations.

On the whole, when it is considered that the proposed establishment will enjoy a monopoly of the profits of a National Bank, for a period of twenty years; that the monopolized profits will be continually growing with the progress of the national population and wealth; that the nation will, during the same period, be dependent on the notes of the bank for that species of circulating medium, whenever the precious metals may be wasted and all times, for so much thereof as may be an eligible substitute for a specie medium; and that the extensive employment of the notes in the collection of the augmented taxes will, moreover, enable the bank greatly to extend its profitable issues of them, without the expense of specie capital to support their circulation; it is as reasonable as requisite, that the government, in return for these extraordinary concessions to the bank, should have a greater security for attaining the public objects of the institution, than is presented in the bill, and particularly for every practicable accommodation both in the temporary advances necessary to anticipate the taxes, and in those more durable loans which are equally necessary to diminish the resort to taxes.

Ladies, regarding the painful duty of stating objections to a measure which has undergone the deliberations and received the sanction of the two houses of the National Legislature, I console myself with the reflection, that if they have not the weight which I attach to them they can be constitutionally overruled; and with a confidence that, in a country where the wisdom of congress will hasten to substitute a more convenient and certain provision for the public exigencies.

JAMES MADISON.  
Washington, January 30th 1815.  
The message read, and ordered to be printed.

[From the United States Gazette.]

### MR. DALLAS'S BANK. NO. 1.

Mr. Editor,  
Among the topics which at this dangerous crisis most strongly engage the attention of congress, and the people, the plan of a national bank, as originally proposed by Mr. Dallas, and as still, it is said, intended to be brought forward and supported by the administration, decidedly holds the first place. In the outset of the remarks which I propose, sir, to submit to you in relation to it, I clearly acknowledge that if it will re-

duce a safe circulating medium for the purposes for which such a medium is wanted, and enable us to carry this, hitherto unfortunate and inglorious war, to a safe and honorable conclusion, it will merit the active support of all sincere and well principled disciples of the Washington school. Certainly on their part, no party feeling should be allowed to mingle in the discussion. While on their side, no candid friend of the present administration will deny, that it is entirely justifiable, consistently with a zealous determination under all circumstances, to maintain the rights and independence of the country, to oppose the measure in all its parts, if it can be demonstrated that the plan is absurd, visionary, and impracticable, that if practicable to a limited extent, it would be still insufficient for the objects the government have in view, that its paper would rapidly and extensively depreciate, and that however honestly intended, it could only operate as a most powerful and irresistible engine for ruin and deception. Having after the best consideration I have been able to give to the subject, entirely adopted the latter opinion, I trust I shall not be accused of a desire factiously or malignantly to embarrass the operations of the government, while briefly stating to you, the grounds on which this judgment has been formed.

The plan, it will be observed, supposes a bank to be created whose capital shall consist of fifty millions of dollars, of which forty five millions shall be composed of United States stock, and five millions, subscribable wholly by individuals, in specie. This bank is to be compellable, to issue paper on government securities to the amount of fifty millions of dollars in the first year, and is authorized to issue its paper for other purposes to any extent, its views or interests may require.

I maintain such a plan to be impracticable, because the specie cannot be procured.

It is notorious that hardly a dollar in specie is now seen in circulation any where south of Connecticut; that in every part of the continent not east of New-York, it bears a premium of from ten to eighteen per cent. and cannot be had in large sums even at so great a discount; that the balance of trade from abroad becoming daily more unfavorable, the demand for specie in our intercourse with foreign nations must greatly increase; that this balance as between New-England, and the middle and southern states being still more unfavorable, the drain upon the states south of New-England is from this cause also rapidly augmenting. And in truth that all the specie in the southern and middle states, is either hoarded or in possession of the banks who from the extent of the demand upon them have been compelled to suspend their cash payments. Where then is the immense amount of specie required for the new bank to be procured? Not from abroad for the tendency undoubtedly is to a large and extensive exportation. Not from New-England, where little of the war stock (an advance on the market price of which will be the sole premium for subscribing) is held, and where the hoarded men are notoriously hostile to the institution. Not from those who have hoarded; since the want of confidence which led to hoarding continues; and has been very little diminished by late developments from the pen of Mr. Dallas. And certainly not from banks, which are now unable to meet the demands upon them for specie, who have shaken their credit to its foundation, by stopping payment to their own customers and depositors; and who surely have very little inducement to make a great and hazardous sacrifice, for the establishment of a rival institution, which must control their operations, impair their profits, and probably, as I shall presently show, destroy their existence. If five millions of specie cannot be procured, the plan fails in its inception.

2. I contend, that though the plan should be capable of being carried into operation, it will not accomplish the objects of the government; inasmuch as its paper cannot be converted into a safe and generally received circulating medium.

It may unquestionably be assumed that the power intended to be given to the President, to suspend specie payments, will be immediately exercised. The same causes which have operated to produce a suspension of specie payments, at the other banks would be immediately put into full operation upon the new institution. And with a force very much increased, because inasmuch as forty five millions of its capital is intended to be rendered unaccessible during the

war, there would remain but five millions to meet the demands of its creditors; because thirty millions of paper must be issued in the first year for the purposes of the government alone, independent of the issues which may be made for other purposes; and because certainly no experience will warrant the hypothesis, that any monied institution can long sustain an ability to meet the specie demand, whose amount of issue shall exceed six times the amount of its whole capital convertible into value. If then this paper will not be exchangeable for specie, on what principle will it be asserted, that it will circulate more freely or extensively than treasury notes or any other government security payable to order or bearer? Both are ultimately dependent upon the faith and stability of the government—both are liable to be affected by the depression of confidence which now operates on all the transactions of business—And both are equally obnoxious to the objections which are naturally urged against all paper engagements, not exchangeable for value at the demand of the holder by the hand which issues them. The theory of Mr. Dallas admits that treasury notes will not answer the purposes of a circulating medium, and from the considerations I have stated, it is undeniable that the paper of the national bank will be equally unfit for this purpose, unless the state banks shall stamp their credit upon it, and receive it in exchange for their own. Nothing can answer the purpose of a circulating medium which is not universally received as such, and no absurdity can be grosser than the supposition that any paper can effect the purposes of such a medium, which shall be rejected by these institutions in which the interests of the trading part of the community are concentrated, and by which their transactions are necessarily controlled.

It is then in my opinion, Mr. Editor, clear beyond all contradiction, that the paper of this bank will not be universally received by other banking institutions—that on the contrary, if all or the greater part of them do not very soon reject it, their capital will be absorbed, their profits destroyed, and their existence endangered.

The whole banking capital of this country, does not at this time probably exceed sixty millions of dollars. It has been already observed, that the new bank must in the first year issue paper for the purposes of the government exclusive of what it may issue for its own ordinary operations or otherwise, to the amount of thirty millions. During the suspension of specie payments, the state banks which shall receive this paper, will be utterly unable, except so far as they shall dispose of it, to realize any value from it. They can only dispose of it to their own customers or depositors, or in the course of transactions in which they might otherwise have disposed of their own paper, which it is always their interest and endeavour to do. And while they shall not dispose of it, it will remain a dead credit against the national bank, yielding no interest, furnishing no fund better than their own capital (though ultimately it should be admitted to be as sound and good) for the extension of their own operations, and enabling an institution certainly having rival, if not hostile tendencies, to trade upon their property, and at their hazard, without returning any equivalent. Nothing can be plainer or more indisputable than this result—but for the purpose of illustration, let us suppose that the Bank of North America, whose capital is one million of dollars, shall agree to receive the paper of the new bank as a safe circulating medium.—There can be no doubt that in a short time at least one million of the new paper will be paid into the Bank of North America, in exchange for its own paper, which is now in the first credit and repute. Having received the new paper to such an amount, its whole capital is absorbed and its existence rendered dependent upon the ultimate solvency of the new bank. It cannot convert the paper into specie, at pleasure, nor by application to the source from whence it issues, convert it into value of any other description. What then is to be done? If it disposes of this paper in its own transactions, it supplies its own paper, and trades at its own risk, and at the hazard of its customers and depositors, for the benefit of another bank, with whose proceedings it may be unacquainted, and over which it has no control. And if the new paper shall remain undisposed of, what will the Bank of North America have in return for its capital, but a dead and useless balance, inapplicable to any of the purposes for which the

bank was erected. Is it possible, that the state banks would act a part so rashly extravagant and absurd, even though they had entire confidence in the ultimate solvency of any government machine, which at this alarming period should be erected. But is it credible that all the banks will yield such a confidence? Is the credit of the government so unshaken as to warrant such a confidence? Are not many of the banks already most painfully and reluctantly convinced of the fatal danger to which they have exposed themselves, by a misplaced confidence in the government? If only one of them, in each principal city, should refuse to receive the new paper, is it not evident that it would cease to be applicable to the common payments of the country? And if, as is most probable, all the banks of New-England, whose payments being yet made in specie, cannot without madness exchange their notes for a paper not convertible into specie, should at once reject it, how could it be applied to any of the purposes of exchange between different parts of the continent, be rendered universally useful as a medium even for the payment of taxes, or in the district where the payments of the government both for foreign and domestic manufactures are most extensively made, supply the national necessities, in the discharge even of the public contracts. I affirm then Mr. Editor that the paper of the new bank will not furnish a safe circulating medium, and that it is exposed to all the objections, which with regard to treasury notes, Mr. Dallas appears to admit are insuperable.

### AN INQUIRER.

## PEACE.

From the National Intelligencer of the 15th inst.

We have the pleasure to announce that the treaty of peace between the United States and Great Britain as signed by all the commissioners of both parties at Ghent on the 24th December 1814, was last evening delivered by Mr. Carroll, the secretary of state, who immediately submitted it to the president. The general principle of the treaty is, a restitution and recognition of the rights and possessions of each party, as they stood before the war; with adequate provisions to settle all the disputed points of boundary, by commissioners, subject to the decision of an amicable sovereign; in case the commissioners do not agree in opinion.—The title to the islands in the bay of Passamaquoddy being controverted, the possession will remain with the parties respectively which now hold them, until the commissioners decide upon the title, but without prejudice to the claim of either party. Periods are fixed for the restitution of maritime captures in different latitudes; and hostilities are to cease as soon as the ratifications of the treaty are exchanged at Washington. It is understood that Mr. Baker is the bearer of the treaty ratified by the Prince Regent, &c will be ready to exchange the ratifications when the President and the senate have passed upon the subject. We are happy to add, that the treaty is thought in all respects to be honorable to the nation, and to the negotiators. The President will, probably, lay it before the Senate this day.

From the Baltimore Telegraph.

The schooner Transit, has arrived in the Chesapeake. And we have the pleasure to state, that CHRISTOPHER HUGHES, Esq. the bearer of the Duplicate Treaty, has been landed in Annapolis, and undoubtedly immediately proceeded to the seat of government.

### FROM OUR CORRESPONDENT. NEW-YORK, February 12.

## GLORIOUS NEWS.

A TREATY OF PEACE was signed by the American and British commissioners at Ghent, on the 24th of December, and ratified by the Prince Regent on the 30th.

We most cordially congratulate our fellow-citizens on this propitious event—an event which calls for deep and undissembled gratitude to the Almighty Sovereign of the Universe.

Mr. Henry Carroll, one of the secretaries of the American legation, charged with despatches from our commissioners, and a copy of the treaty, left Ghent on the 26th of December, for England; sailed from Plymouth, in the British sloop of war Favorite, on the 2d of Jan.; and arrived at this port at 8 o'clock last evening.

Mr. Hughes, another of the secretaries of the American legation, sailed about the same time, with despatches, for the Chesapeake.

Mr. Baker, secretary to the British legation to the United States in 1810

has also come out in the Favorite, for the purpose of receiving the ratification of the President and Senate, and of communicating the joyful tidings to the British fleets and armies in this quarter of the globe.

Mr. Carroll, with whom we have been favoured with an interview, states, that the terms of the treaty are such as to leave no doubt that they will be immediately ratified by our government. The London "Times," a ministerial paper, denounces the treaty in the strongest terms, as highly dishonorable to England; while the "Morning Chronicle," an anti-ministerial paper, considers it as advantageous to the British nation.—A meeting at Westminster was held on the 29th of December, for the purpose of petitioning for the repeal of the income; at which, Mr. Cartwright, one of the orators of the day, represents the peace with America, as a happy circumstance to Great Britain.

The Favorite yesterday spoke the British frigate Endymion, in company with the Tenedos.  
Mr. Carroll, who left this city this morning for the seat of government, has very obligingly favoured us with files of the London "Times," "Morning Chronicle," and "Courier," to the 31st of December, inclusive, from which we have made as voluminous extracts as our time would permit; and to the politeness of Robert Lenox, Esq. we are indebted for the following extract of a letter, which he received, by Mr. Carroll from a respectable house in London, dated December 31, 1814.

"Dear Sir—The bearer of this carries with him the olive branch of Peace. The treaty was signed at Ghent on the 24th instant, and has been ratified by the Prince Regent; but hostilities are not to cease until ratified by the President. We sincerely congratulate you on this joyful event."

### Late Foreign Intelligence.

From London Papers received per the Favorite, arrived at New-York.

#### LONDON, Nov. 24.

The general opinion of the public respecting the Duke of Wellington's embassy to Paris, will, we have reason to suppose, be verified by his Grace's recall. His life is even said to be exposed to some danger in the French capital, from the evil passions which his presence there has excited, and the most ordinary civilities or proposals are received with coldness and caution; only because they come from him. Report selects Lord Harrowby as the Duke's successor in his present employment; Lord Mulgrave to be President of the Council, in the room of Lord Harrowby; and the Duke of Wellington, Master-General of the Ordnance, in the place of Lord Mulgrave.

We have been positively assured that in point of fact, orders have been prepared, in the respective departments of the French military administration, for an additional recruiting to a very large extent.—80 or 100,000 men as it is stated to us. These orders have not yet been issued; and for the present seem destined to await the course of political events.

A pretty general rumour was current yesterday towards the close of 'Change, that there had been some serious commotions in France, although no particulars of the time or place could be collected. An order was given to the ministers of the Emperor to quit Paris. They have not submitted to this order, saying that the constitution does not admit of arbitrary acts.

The grounds stated in the Parisian circles for the arrest of Gen. Dutoy are, that he made a very criminal proposal to a soldier on duty at the door of his majesty, and who had disclosed the fact. In order to silence this rumour, it was given out that he had been recruiting men for the American government, a proceeding which the court would not permit.

Vienna, Nov. 12.—The note delivered by Prince Talleyrand, after the arrival of Count Alexis de Noailles, has made a strong impression on the Members of Congress. It is said to relate to Saxony, and to have already produced several changes in the determinations that had been adopted.

#### VIENNA, NOV. 13.

Distribution of States, Dignities &c. It is believed the Emperor Alexander, and the King of Prussia, will depart for Berlin after the ceremony shall have taken place, re-establishing the Imperial dignity of Germany in the House of Austria. If nothing intervene to prevent it, this grand ceremony will take place on the 29th. The rights of the new Emperor will be chiefly honorary. The lieutenants