

**Amos Kendall to Andrew Jackson, August 11, 1833,
from Correspondence of Andrew Jackson. Edited by
John Spencer Bassett.**

AMOS KENDALL TO JACKSON.

New York, August 11, 1833.

Dear Sir, I arrived here last evening after spending six days in Philadelphia. The Banks there I found to be better disposed than I had expected. Four are willing to undertake the public business, two declined and from three I have received no final answer. As to giving security according to my suggestion, they hesitate; for they have not the means of doing it readily. Some of the Banks in Baltimore hold stocks which they can transfer to the Secretary as security; but most of them in Philadelphia own none, and to buy them would lock up so much of their capital. The four Banks which have offered are believed to be entirely safe and they are not only willing but anxious to undertake the government business.

I found the case of Mr. Toland to be precisely as I had heard in Baltimore. He got a loan recently on a pledge of the U.S. Bank stock for \$45,000 and had about \$100,000 before.

Mr. Livingston recently got a loan of \$18,000 upon a pledge of ground rents in New York payable in produce, stock and poultry. Mr. Biddle stated at the Board, that he would not go to France without it.

I left Mr. McEldery in Philadelphia where he was waiting for Mr. Gilpin who returns from this place tomorrow. They intend forthwith to make an examination into the expence account.

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There were rumors of expressions used by Mr. Duane indicating a determination not to remove the deposits in Philadelphia and I hear similar rumors here. Whether there is truth in these rumors I know not; but most business men there and here appear to understand the condition of things at Washington almost as well as I do, and I am frequently embarrassed by their questions.

Mr. Gilpin has been with me today and informs me, that at Mr. Duane's request he inquired of the Cashier of the Bank U.S. whether they would have all the certificates of the three per cents by the first of October and was informed that they were using every effort to get them and hoped to effect it. You will perceive what would be the probable result if the removal of the deposits be made to depend on that event, and you may recollect my remarking to you when you mentioned to me that such a suggestion had been made, that I feared the design was, as I had no doubt the result would be, to defeat the removal altogether.

Since I commenced this letter I have received from the Post Office replies from eight of the Banks in this City, seven of which are willing to undertake the public service. I am told there will probably be no difficulty in getting them to give security and even pay an interest if required—at least some of them. If I can get them to give security here, there will be no difficulty in effecting the same object in Philadelphia.

I shall not spend more than three days here when I shall go direct to Boston. There I have no doubt four will suffice; but as I shall then be within 34 miles of my paternal roof, I must take one to visit my good old father, especially as my mother has gone to her long home since I last saw him. But I expect to be in Washington by the evening of 24th.

I think it all important that the final decision of the government shall be made as soon thereafter as possible. It is due to the country that the matter shall be put at rest, the one way or the other. What way that should be I have not in the least changed my opinion. The intelligent men connected with the state banks laugh at the idea of danger to them from a

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change of the deposits, and say they will break some two or three of the U.S. Branches in 60 to 90 days if it be indicated to them that it is desirable. 12

I learnt an interesting fact in Philadelphia. The Union Bank of Tennessee early in April last, commenced issuing notes payable at the Girard Bank in Philadelphia. By the middle of June they had issued near \$80,000 and on the 31st July only \$11,000 had found their way to the Girard Bank. A merchant told me, that these notes were received by all the merchants and Banks in Philadelphia and were considered a better currency than the notes of the U.S. Br. Banks, because they can be exchanged for specie there when the Branch notes cannot. The plan of the Union Bank is to keep \$1,000,000 on deposit in the Girard Bank at an interest of 3 per cent or more. It then issues its notes in payment for domestic bills of exchange, and by the time the notes get to Philadelphia the bills become due and the proceeds are ready to redeem those notes. The Bank thus uses its capital twice during the same time: It gets the interest and difference of exchange upon the bill and at the same time gets an interest on the deposit prepared to pay the notes issued to purchase it with.

But the most interesting portion of this process is, that it furnishes a paper currency of general credit, even without the aid of the government, which the Bank of the United States never did. It furnishes a currency in better credit at this moment in Philadelphia, than the branch notes of the United States Bank. And being in good credit at the centres of commerce, their credit will soon be good throughout the United States. Here we have a commencement of a general currency, that *desideratum* which some gentlemen think can only be furnished by a Bank of the United States.

With the exception of a few friends of the Bank, a few timid politicians and now and then a merchant, the whole mass of our political friends appear, so far as I can learn, to be in favor of a removal of the deposits. I believe every Republican paper east of Pennsylvania, many of them in that state and most of them in the West have come out in strong terms. Your friends have multiplied and magnified the difficulties; but, sir, the

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greater the difficulties overcome, the greater the glory of conquest. The Bank is in terrible alarm and every engine is at work. By one motive and another, they will move many of our friends. Once done, however, the proud and haughty Bank will be at the feet of the state banks in less than 90 days, begging for terms, and men will wonder that they ever considered it so formidable.

Mr. McLane and Mr. Forsyth were in the City this morning and have gone up the river. Mr. Van Buren arrived here this morning and they dined with him. I saw Mr. and Mrs. Livingston this evening. The *Delaware* is to drop [anchor to]morrow and they expect to go on board the next day.

I forgot to mention, that I had a conversation with Mr. Sutherland in Philadelphia whom I was surprized to hear say, that Mr. McLane had procured the appointment of Mr. Duane, and by so doing, placed himself at the head of two departments. I found he disliked them both. But, said he, you will not get the deposits removed—those men are determined to prevent it and will prevent it. I told him Mr. Duane said his mind was open to conviction; but he shook his head.

You will judge what importance is to be attached to these matters; but I have felt it my duty to mention them to you that you may compare them with events as they occur.

With the highest respect