D-48

Historic Structure Report

on the

FIRST BANK OF THE UNITED STATES

Independence National Historical Park

Philadelphia, Pennsylvania

Administrative Data Section by Hobart G. Cawood

Historical Data Section by John D. R. Platt

Architectural Data Section by P. H. Batcheler and S. M. Sweetser

NATIONAL PARK SERVICE

UNITED STATES DEPARTMENT OF THE INTERIOR

December 1974

TABLE OF CONTENTS

	Page
ADMINISTRATIVE DATA SECTION	1
HISTORICAL DATA SECTION	
Chapter I, "The Oldest Bank Building in the United States"	3
1. The Building Now and Then	3
2. The Designer and His Model	10
3. Its Symbolism Considered	19
4. The Bank Lot and Background to Construction	24
Chapter II, "Development and Use of the Bank Building"	29
1. Building the Bank	29
2. Occupancy and Use to 1812	38
3. As Stephen Girard's Bank	42
4. The Girard Bank and Girard National Bank	48
5. A Period of Decline	49
Chapter III, "Highlights in the Institutional History of the Bank"	50
1. Background to Banking in America	50
2. Hamilton's Report of 1790 Considered	56
3. Establishment of the Bank	61
Footnotes	66
Illustrations	77
Appendix A--Final Version of the Second Report on the further Provision Necessary for Establishing Public Credit (Report on a National Bank)	83
Appendix B--Charter of the First Bank of the United States	114
ARCHITECTURAL DATA SECTION	
Introduction	121
Structural History	124
Footnotes	137
Illustrations AND Drawings	139
Recommendations	162
Appendix A--Chronological Inventory of First Bank Reports	167
Appendix B--Chronological Inventory of First Bank Drawings	168
Appendix C--Technical Report--Preservation of Historical Masonry Structures	

Independence National Historical Park preserves a collection of structures and spaces that reflect the American struggle for independence and the development of government in the formulative years of this nation. The First Bank of the United States assumes an important architectural and interpretive role in telling the Park story.

The architectural integrity of the building will be enhanced by the complete restoration of the late 18th Century structure. After restoration, appropriate preservation treatment will be applied to all of the masonry surfaces. In the case of the stone columns on the east facade of the building, it probably will be practical only to rehabilitate and preserve their badly worn surfaces. It is also true that certain conjectural and practical arrangements will have to be made on the west facade of the building.

The interior of the 18th Century building has been completely removed and replaced by an attractive 20th Century design. There should be no attempt at the 18th Century reconstruction, but an adaptive restoration of the 20th Century interior will be undertaken to accomplish the interpretive and functional use of the building.

Interpretively, the building plays an extremely important role by speaking to the development of the executive branch of the government,

utilizing the Treasury which under the direction of Alexander Hamilton assumed an important role in this effort. The exhibits will also serve to introduce a tour of money and banking that will lead from this building to the Second Bank of the United States and outside the Park to the present United States Mint and Federal Reserve Building.

The basement with its series of arched vaults will be rehabilitated and used to tell the story of the building's original use as a bank. The brick vaults and metal doors provide graphic evidence of the bank's security arrangement.

The second floor of the building will be utilized for professional staff offices of the Interpretive and Museum Divisions of the Park. The spaces will be modified to respect the building's architecture and provide sufficient space for these two staffs.

The third floor will be the location of the Park Library which will include the combined History library, now located at Park Headquarters, and the Museum library, currently located in the Merchants Exchange. There is some possibility that the Mid-Atlantic Regional Library will be phased out and publications worth retaining also incorporated into the Park Library. A professional librarian will exercise control over this facility.

The development of the First Bank of the United States has been included in the Independence National Historical Park Bicentennial Program and we anticipate that the project will be completed and available to the public by the Bicentennial year.

Chapter I

"THE OLDEST BANK BUILDING IN THE UNITED STATES"*

The Building Now and Then - The Designer and His Model - Its Symbolism Considered - The Bank Lot and Background to Construction

1.

America's "Old Lady of Third Street" to all outward appearances is a building in extremis, declining into an archeologic state. Time, abetted by elements of climate and industrial contamination, has dealt so harshly and swiftly with the building's soft Pennsylvania marble facade that today she wears a worn and grimy aspect more suitable for a piazza in the ancient city of Rome than Philadelphia's Third Street. The monumentality of her faded glories would attract little attention in an age no longer dazzled by classical piles were it not for a long and interesting history. Aptly summed up in the above-quoted title, the building's distinction of age encompasses as well significant passages of this country's finance capitalism, political development, cultural evolution, and institutional life. Embodied in her stout walls is still soundness and utility enough to serve today's purposes, purposes akin to those that brought her into being. For, in the moment of conception, the building symbolized an adventitious power of momentous consequences, newly asserted in the Republic. As

*The writer has appropriated this unimprovable title from Professor James Wettereau's article in Luther P. Eisenhart, ed., Historic Philadelphia American Philosophical Society Transactions, new ser., v. 43, pt. 1 (Philadelphia, 1953) pp. 70-79.

museum and interpretive facility, this remnant of the past is now to become a fixture of the ages, peculiarly reminiscent of the nation's socio-economic traditions. The first American financial institution to be enshrined in a Roman temple, the Bank of the United States has become and will remain a landmark of American representational architecture.

In recent years the First Bank building has been used by the Park as a temporary visitor center. And before that its offices were occupied by various National Park Service organizations following transfer of title to the Federal Government in 1955. Abandoned by banking institutions in 1929, when the Girard National Bank joined the exodus west to Broad Street of the city's exchanges, it became another of the derelict banking structures in the vicinity of Chestnut and Third Streets--like so many whales beached by an outgoing financial tide. Its great history and traditions by then remote in time, the building languished through the indifference and neglect of hard times and war, as emergency relief agency office and servicemen's canteen. Nominally in the care of Philadelphia's Board of City Trusts, under the terms of Stephen Girard's will, it was regarded as a burden on the resources they husbanded and received little attention. Although later stabilized and maintained by the Service, the building exterior continues to deteriorate and will benefit from the thorough rehabilitation planned for it.

Under Park Service aegis, the bank building's immediate environment has been transformed from the shabby conglomerate of worn out business structures found there 20 years ago to a park-like urban green, dotted by historic survivals. Yet, the best efforts of urban redevelopment have not been able to divest the surrounding district of its traditionally dingy and worn air. Like the Park area of yesteryear, these blocks convey a sense of the inharmonious: neighboring structures contrast widely in age, form, and bulk. That "harmony of streets" so conspicuous of London's crescents and quadrants and Paris' arcades and boulevards eluded the Philadelphia of old. Streets full of monumental structures bespoke the 19th Century city's pride of place in a commercially aggressive trading nation. To the queen city of a nation convinced of the virtues of bigness, technological advance, and amassed capital, redoubtable buildings made streets important if not graceful and well-related. As the old city's brick structures yielded to stone and iron fronts, and tall buildings sprang up on the corners, the First Bank Building lost caste. It made its way into the 20th Century by the grace of an ostentatious interior remodelling that prolonged its stay but briefly in the forefront of bank headquarters. And at the end only historical interest stood between the building and the fate that lies in store for all very old and abandoned structures. The very

attributes of scale and detailing, once universally admired, become practically insuperable handicaps to its retention.

There can be no question but that the First Bank building made quite a splash upon its completion in the Philadelphia of 1797. This event, anticipated since public announcement in June 1794 that the plans could be viewed, invited widespread comment. In the words of one reporter, it surpassed anything and everything previously attempted in the country's most notable city: "This may safely be pronounced the master piece of Philadelphia for beauty and grandeur of architecture."[1] Confining his observations to the facade, he marveled at its "elegant white marble, decorated with neat specimens of sculpture," its "grand piazza," and "pillars of an immense size and height." Another newspaperman, present when the scaffolding was struck on December 20, described it as " . . . the novel and enchanting scene of a truly Grecian edifice, composed of American white marble." Continuing in the rhetoric of that age, he found the portico to be " . . . in its proportions nearly corresponding to the front of the celebrated Roman temple at Nimes; the Pediment . . . supported by six columns of the order of Corinth, with the decorations they bore at Palmyra and Rome when architecture was at its zenith in the Augustan age." He judged all the "ornaments" to be "distinct, graceful, and appropriate," and concluded that it was the ". . . first finished

building of any consequence, wherein true taste and knowledge have been displayed in this country."[2] Now thoroughly warmed up to his subject, he added these pyrotechnics of descriptive prose:

> We are glad to observe that he (the architect) has been careful not to encourage by his example, the innovations of those pretenders to Science, who not knowing on how solid a basis the ancients established their principles, have vainly imagined themselves able to make improvements, but whose futile endeavors have only produced a multiplicity of incongruous parts, awkwardly huddled together, fatiguing the eye and distracting the attention. On viewing this building, the first impression is, one plain and beautifully proportioned whole. On a more nice inspection, the eye searching for decoration, is richly gratified, finds everything of its proper size and in its proper place, splendid with neatness, nothing deficient, yet nothing crouded, sufficiently striking but not abruptly obtrusive, combining to form an elegant exhibition of simple and chaste magnificence.
>
> It may now be justly affirmed, that agricultural and commercial pursuits are not the sole subject of America's attention, but that arts and sciences have already raised their infant heads with all the symptoms of beauty, health and vigour, that promise a strong and rich maturity. Happy land! how delightful are thy distant prospects! while the full grown empires of Europe are wasting their vigour in enervating luxuries, and exhausting each others strength by relentless wars, and all their attendant horrors; benign philosophy, sick of the desolating scene, bends her studious eye with mild complacency towards the western world, where enlightened freedom, honest independence, and smiling peace, are prepared to welcome the celestial visitant.

Reprinted throughout the country in other newspapers, this bit of inspired journalism spread the fame of the First Bank building far and wide.[3] That more discerning and better trained eyes tempered

comment in some quarters, made little impression on an enraptured citizenry. Newly arrived architect, Benjamin Latrobe, confided to his journal that the building left much to be desired, though he acknowledged that the marble columns had "a very beautiful appearance."[4] Polish visitor, Niemcewicz, listed it a "must" for sightseers, but observed that:

> . . . it falls a little short . . .. The interior has no noteworthy features. The building would have greater effect if it were situated in a great square, but being in the middle of a block, it overwhelms and appears overwhelmed. [5]

Most people would have agreed, however, with Philadelphian Thomas Lee Shippen, in whose diary it was numbered somewhat breathlessly among the city's "grand edifices!"[6]

The average citizen's reaction can be readily appreciated. It was, after all, a very large structure for its time, measuring 96 feet in front and 72 feet deep. Not only was it, as James Mease pointed out, the first public building erected in Philadelphia to have a portico and pillars, but it was the first in the country to have a marble front. So, publications of that era that referred to it as a "superb edifice of the Corinthian order, with a majestic portico," or "magnificent," or "an elegant specimen" were not merely pandering to the common viewpoint.[7] Even so knowledgeable an authority as Owen Biddle, "House Carpenter and Teacher of Architectural Drawing," in

his Young Carpenter's Assistant deemed it a "superb Building" and an "elegant specimen of the Corinthian Order"--and included a drawing of it as a featured plate.[8] William Birch made it the subject of one of his "Philadelphia Views." Although its reputation later came down to earth (by 1852 it was referred to as a "stately edifice"), in 1810 people still regarded it as "particularly distinguished for the taste and elegance of architecture."[9] As the building began to show its age, uncomplimentary reference appeared for the first time. Ridiculing a high-dollar figure quoted as its worth, Moreau de Saint-Méry commented: "This was in line with the absurd claim that this bank building was one of the eight Wonders of the World, a wonder so flimsy that its portico was destroyed by rats." Yet he added, "Everyone has been to see the place."[10] In time, the designer himself, never one to shy away from simple truth, while esteeming it a "superb building," admitted that its "brick sides are an injurious deviation."[11] The unkindest cut of all came from Latrobe, who publicly proclaimed the bank building "a bold proof of the spirit of the citizens who erected it, and the tendency of the community to force rather than retard the advancement of the arts," while privately condemning it as "in every possible respect a miserable building."[12] This was, in fact, merely a later manifestation of consistently held views that originated with his first exposure to the building in 1798:

> Talk to an Englishman of white marble columns of the United States Bank, thirty feet high, and he

> is astonished at the magnificence of such columns. In London indeed such columns would not only be magnificent, but really valuable . . .. As nine-tenths of our American, . . . ideas and prejudices, are English, a very large proportion of the admiration which we have bestowed upon the said marble columns has been bestowed upon the material, white marble. Now it happens to be a fact that any other material besides white marble was not to be easily procured at Philadelphia. And so common is its use that the steps to the meanest house and cheeks to cellar doors are frequently made of it. Gray marble something like that of Carrara, is equally common. . ..
>
> The white marble columns of the bank are full of bluish and yellowish veins, ... Sufficient attention has not been paid to the successive heights of the blocks, nor are the joints level. The plain [uncarved] workmanship has been well executed. The sculpture is not good. [13]

2.

Highly regarded or not the bank building owed its initial impact to the novelty of its architecture in 1797 America. And as is often the case with novel objects, it was not entirely or well understood. Influenced perhaps by what had been voiced publicly about Jefferson's design for the Virginia capitol, begun nearly a decade before the bank building, and its true predecessor of the Roman classical mode, critics were quick to discover its attributes in the famous Maison Carrée at Nîmes, France. Struck by the beauty of this ancient Roman temple, Jefferson in 1785 had commissioned Clérisseau, French architect and authority in Roman archeology, who had already published Monuments de Nîmes, to prepare plans and a plaster model for consideration of Virginia authorities.[14] Their acceptance touched off a trend,

and it has been written that the Virginia capitol "stands as first of that endless procession of classic and near-classic temples, Roman and Greek, that during the first half of the nineteenth century sprinkled themselves broadcast over this country and most of Europe."[15] Had the bank building come from the same stock, it might thus be considered the second in line. But, in point of fact, its line of descent was certainly more circuitous than that of Jefferson's capitol. For sixteen years after Claypoole's American Daily Advertiser suggested that its antecedents could be found in southern France (". . . its proportions nearly corresponding to the front of the celebrated Roman temple at Nimes;. . ."), everyone appears to have accepted this view unquestioningly.[16] Even the wording was still being parroted virtually unchanged as late as 1811 in Paxton's guidebook when competitor, James Mease, made a startling revelation: "The front is said to be nearly a copy of the Dublin Exchange."[17] An Irishman by birth himself, Mease might have been expected to take pardonable pride in this circumstance, had he not been an ardent Republican follower of Jefferson a generation before, sour on the subject of the powers accorded the Bank of the United States, of which the building was the hated symbol. At any rate, by 1811 the institution had lost its character and was in process of liquidation, while another good Republican of the old days, Stephen Girard, had acquired the property.

The designer had allowed such speculation to pass unnoticed. Content perhaps to garner accolades that assumed much originality in his plans, he had nothing to fear from anyone viewing a drawing of the Nîmes temple. It obviously did not correspond to his building, however much the spirit of the former might be considered present in the latter. But the Dublin Exchange was quite another matter. Anyone viewing it with the Birch print of the bank building in hand could not escape the conclusion that the Philadelphia building's facade was practically identical to the Dublin building's principal facade. No such spot comparison could be made on this side of the water: until Malton's engraving of the exchange building was published in 1797, a cross-section of the exchange room by Pool and Cash was the only extant representation available to the public. Later engravings had little currency in this country. So confusion over the bank building's origins still reigned more than a century later. One usually reliable authority claimed the front ". . . to be nearly a copy of the front of the Dublin Exchange, without any deviations but the substitution of a door and windows under the portico for an arcade, which Gandom, the architect of the former institution, had designed."[18] Yet another, disposed of the question in this way: "It was stated that he [the architect] used the design of the Dublin Exchange for the facade, but this seems to have been an error, and while the classic portal does not bear many marks of originality, it has been entirely credited to [the architect's]. . .taste."[19]

And, who was he? That had been known from the start, when, in the earliest stage of construction, a Philadelphia newspaper published an article, "Description of the Bank of the United States, now erecting in third street, from a design by Mr. S. Blodget."[20] Two years later, Claypoole's journal, doubtless relying on the reading-public's short memory, played coy with its subscribers: ". . . it is a pleasing task to inform [the country's] . . . inhabitants, that the architect is an American, and was born in the state of Massachusetts."[21] The architect was indeed an American, Samuel Blodget, Jr., a merchant, author, publicist, promoter, and architect, as well as all-around genius, born in Goffstown, N. H. in 1757. A resident of Philadelphia since 1789, he had earlier served as a captain of New Hampshire militia during the Revolution and made a fortune in the East India trade out of Boston.[22] After three years in America's great metropolis, he had become firmly established, a trustee of the Insurance Company of North America upon its founding, and married in 1792 to Rebecca Smith, daughter of the Reverend William Smith, provost of the University of Pennsylvania. So little is really known about Blodget, in the absence of extensive collections of his papers, that gauging his true importance and determining his purposes in life at this time is hazardous work. That his interests were extensive and of broad scope is certain. Their depth and the motives behind them are less readily apparent. Whether a gadfly or peripatetic dreamer or a visionary or

too-sanguine entrepreneur, his activities while in Philadelphia suggest that he sought to achieve a reputation in the largest theater afforded by this country. With the arrival in town of the national government, he became involved with various promotions for developing the District of Columbia. This was a Philadelphia pasttime then in which financier Robert Morris led the way. That it attracted ambitious Samuel Blodget, Jr., is not surprising. Soon he had begun to speculate heavily in the Federal city's real estate. When the position of "Superintendant of the Buildings" was created, he came under President Washington's scrutiny, eliciting these observations:

> A Mr. Blodget has been recommended by some of the Proprietors; but except being pretty deeply interested in the City, having been a pretty considerable traveller in European Countries, and an observant man of some taste, it is said, I can say nothing of his qualifications for such a trust. How far he is a man of industry, arrangement, and integrity I know not, having a very slight acquaintance with him personally, and less knowledge of his abilities. 23

Washington may have had doubts on one or another of these heads, as Blodget at the time was probably as well known as anything for his blossoming social life in a city where a brilliant society had by then assembled. If Washington had misgivings on this score, they had no affect on Blodget's candidacy, for he gained the appointment. His responsibilities in the post seem to have launched him into the architectural field. At the very least they coincided with his first

known venture into it, for on July 1, 1792 he entered the competition for design of the national capitol with a study drawing described as showing a building with a "tall dome and four Corinthian porticoes modeled on those of the Maison Carée."[24] Had this drawing survived, an interesting comparison might have been possible between these "four Corinthian porticoes" and the one of the Bank building.

Blodget's design for the bank building, by becoming a matter of record in 1794, can be safely assigned as the second of his architectural plans. In 1795, he submitted to the Commissioners for the District of Columbia design for a bridge over the Eastern Branch, and it may have been the one finally executed in 1804. In 1797, he described to them a plan that he had drawn for an amphitheatre 249 feet in circumference modeled after the Malle aux Blés in Paris that he proposed as a dome for the Capitol's Conference Room. In addition, he is reputed to have designed many of the houses and hotels erected in the District in conjunction with his real estate promotions there.[25] That Blodget was an architect to be reckoned with is demonstrated by his winning the commission in 1805 for fitting the Senate Chamber in the impeachment trial of Supreme Court Justice Samuel Chase, over the competition of such worthies as Henry Latrobe.[26]

It was while engaged as "Superintendant of the Buildings" that Blodget entered into unsound schemes for financing construction that proved his downfall. With concurrence of the District Commissioners, he organized a lottery to pay for a hotel, residences, and a national university.[27] Having pledged his personal credit, he ended bankrupt when they failed. Washington, his suspicions confirmed, now castigated the man he had once described as "certainly a projecting genius:"

> . . . I have not hesitated on former occasions to declare and I think to the Commissioners themselves from the moment his conduct began to unfold itself, that his appointment did not in my judgment answer the end which had been contemplated, at first I was at a loss to account for a conduct so distant from any of the ideas I had entertained of the duties of a Superintendant, but it appears evidently enough now, that speculation has been his primary object from the beginning. [28]

The office of Superintendant was allowed to expire after Blodget's single year in office. His engagement in it took place only the year or two before he drew the plans for the building to be erected for the Bank.

The connective between the Dublin Exchange and Blodget's bank building can only be a subject of speculation. He is known to have visited Europe in 1784 and 1790, and presumably found time on one of these occasions to sketch the exchange.[29] Although duplicative, his plans were a feat of sorts for a gentleman architect, as the detailing

and symbolic devices were in all probability his own work, described minutely as they were from the plans before the structure had been fully raised.[30] These circumstances may also be explained by, and illustrated themselves in turn, by the limitations of interior architectural features and décor, where no suitable model existed to be incorporated into his plans.

Turning then to the Exchange itself, it too requires some unravelling of identity and corrective ink as well. The authority quoted above though accurate in pronouncing the Dublin building to have been Blodget's model, errs in crediting the work to James Gandon (whom it will be noted he misspells "Gandom") Gandon, who was in time to contribute many fine works to the Irish streetscape and landscape, won second prize in the 1769 competition for the design of Dublin's Royal Exchange. First prize went to Thomas Cooley, and it was his plan that was followed in constructing the building in the years that followed.[32] From its site at the head of Parliament Street, a site 100 feet square giving the Exchange practically the identical scale of facade of the bank building, Cooley's masterly pile is now viewed as Dublin's city hall. Following abolition of Irish currency in 1826, it continued active for a while in buying and selling of bills on English banks, until this tailed off and the municipal corporation bought it for a city hall in 1852.[33] Blodget

appropriated only the north facade, facing down Parliament Street. The other facade, facing west, has no pediment. The real feature of Cooley's building, the beauty of its exterior notwithstanding, is its widely-admired interior, consisting of a forty-six foot diameter rotunda, formed by twelve fluted columns of the Corinthian order that support a deep entablature and above that a drum of circular windows, topped by a rich coffered dome.[34] It is curious that Architect Windrim in altering Blodget's interior for the Girard National Bank in 1902, chose to install a rotunda like Cooley's in place of the 1795 barrell vault that had always been there. Returning however to Cooley's facade, despite its characteristic grouped columns at the portico corners, incorporated into Blodget's design too, in it can be detected the influence of George Dance, Sr.'s Mansion House of London (1739-1757). As a house carpenter in that city before Robert Mylne's patronage made an architect of him, Cooley had ample opportunity to study and digest Dance's public buildings, executed while architect of the City of London.[35]

There can be little doubt that the Bank of the United States building represented to Blodget's thinking a high point in his life and career. Surrounded by admiring guests before bankruptcy overtook him, he reacted with pleasure to their solicitations and compliments. To them even Robert Morris' new house by l'Enfant was "nothing but a

clump of oysters," while compared to the bank: ". . . 'tis worth while to ride 50 miles to see the New Bank . . . so very elegant, so superb I cannot give you an idea of it."[36] Years after its completion, writing his Economica, Blodget acknowledged its "superb" style and admitted his part in it: "The plan was by the author of this book."[37] Owing to his financial eclipse and imprisonment for debt, Blodget at the time of his death in Baltimore during 1814 no longer occupied a place in public affairs.

3.

As explained in very much over-simplified terms by the city directory of 1806, the Bank of the United States was "a vigorous offspring of the Federal Constitution, ..."[38] At the time of its establishment in 1791, outward appearances might have lent credence to this interpretation of events. Despite a flurry in the cabinet, or among the heads of state if you will, the act chartering the institution encountered but little opposition before Congress. Secretary of State Jefferson and Attorney General Edmund Randolph submitted opposing opinions on constitutional grounds, while the measure's sponsor, Secretary of the Treasury Hamilton, effectively championed it in yet another opinion that found it to be within the Federal Government's implicit powers. Both chambers of Congress lost little time in passing overwhelmingly the legislation to establish the Bank.

But feeling against the Bank did not end at this point. As though to accentuate Jefferson's warnings, bank stock upon issuance became subject to intense and undulating speculation. Hamilton and his consultants had foreseen an upward surge in value, and, in fact, regarded it as a desirable concomitant of establishing and reinforcing public credit. To the public mind, the scene's excesses and the extent to which it involved men in public life invited criticism. And in little time such criticism became commonplace in ordinary conversation and in the text of the opposition press. In short, those controversial aspects of the Bank as a quasi-public engine of finance that had initially been confined to Administration meeting rooms and conducted on the lofty plane of constitutional debate were now transformed into burning issues and spilled over into the every day world of the general public. It is true that Jefferson's objections had become integral to a political creed. If it can be maintained that criticism was magnified for partisan motive, it can also be shown that the Bank through its operations now came to affect the lives of more and more people while fulfilling its intended role as a regulator of credit and provider of exchange. In other words, few people in the public-at-large had any good reason to discover affection for the Bank, while its political enemies remained inveterate. Such taunts as "Bankophiles," "Treasuro-bankites," and other like terms of characterization filled

the air and found rejoinder in acrimonious sneers that questioned sincerity of purpose and loyalty to the principles of the Union. Opposition was, in some quarters, linked with subversive intent--to be found everywhere so it seemed after 1791 in the defiant agitation of the friends of revolutionary France.

Just at the time when passions on these heads had built up to a high point, the plans for the bank building were exposed to public view. And what the beholder saw was bound to contribute to the raging controversies of that day. Just at the time when the Jay Treaty's provisions were contorting public opinion, Fenno's Federalist Gazette of the United States described glowingly those characteristics of the building's ornamentation best calculated to inflame its enemies. The building itself, massive and strongwalled, could be well-imagined to stand as a symbol of overbearing and ominous authority, an unwonted infringement of men's rights, now being perpetuated in a grand structure. Thus, it was not enough to decorate the windows, as Fenno described them, with "ornamented trusses or consols," but between these devices, "as ornaments for the frieze," the architect intended to emplace "the fasces, or five rods bound by cross fillets, the ancient emblem of union and strength, and in direct allusion to the five Branches of the Bank."[39] Everyone, of course, knew in that day of interest in things classical that the fasces, with a beheading axe

bound at the core, were carried by Rome's strong-armed Lictors to enforce order and provide means for summary punishment of erring citizens. At the magistrate's order, the rods provided the means for an on-the-spot thrashing, while the axe stood ready if required. Worse yet, the fasces suggested an obligation to show respect and authority to compel submission.[40] Such allusions certainly were not lost on the citizens of Philadelphia, whatever allegorical intent intended by Mr. Blodget. It may be that, as the saying goes, "symbols have a strong hold on weak minds," but the minds of eighteenth-century Americans were anything but weak. Another source of unhappiness to partisan viewers was the great, bold, American eagle of the Bank's tympanum, easily its most prominent decorative feature. This excellent carving had been executed in the Roman manner, in bas-relief, the wings spread. Standing in heraldry for generosity and courage, it must have struck many bank critics as a rank misappropriation of a sacred symbol.[41] To others it may have appeared as a singular act of hypocrisy, the seizing upon an established national symbol to trade on the public's patriotism. It is doubtful that the artful employment of such indigenous symbols as oak leaves left any particular impression in the public mind.

Conscious employment of such devices conferred on the bank building a typology evident through the facade's ornamentation. Perfectly

willing as bank officials were to adopt a few easily crafted symbols for attachment to a building's facade, ready as they were to build a pedimented portico of impressive dimensions, they were not prepared to bear the expense of a dome merely to express some cosmic effect or a cupola to signify sovereign authority.[42] Though the forefathers gave spiritual forces their due and used heraldic devices modestly to invest the Republic with an appropriate mystique, only in the capitol were they to adopt more extravagant architectural forms. It remained for later generations to embroider on their examples. At the inception of government under the Constitution, the legislative halls rang with debate over the advisability of adopting titles for Federal offices. The issue was resolved in favor of Republican simplicity. Fenno himself, in the throes of enthusiasm over the bank building's architecture, found it advisable to observe: ". . . the Capitols will be proper but the decorations are to be as plain as the rules of this elegant order will admit . . .. The whole front will be of White Marble, but the principal part of the Work being plain and square, and the materials collected near at hand, it will not be very expensive."[43] Nevertheless, the building when completed possessed significant symbolic elegance, and it will be incumbent upon those responsible to rehabilitate it to see that this consideration is taken into account.

4.

The circumstances leading to the decision to erect an impressive building for the Bank of the United States are known but in part, for such records as would explain it more fully no longer exist. That officers of the Bank should in due time seek quarters more in keeping with its status than the cramped quarters on Carpenters' Hall's first floor is comprehensible. Apparently, the matter was resolved during the course of the meeting of directors "residing in the city of Philadelphia, and it neighbourhood" at City Tavern on January 2, 1794 to take up "business relative to the ensuing election for Directors."[44] By deed of February 24, the "President, Directors & Company of the Bank of the United States" took title to the lot, 110 feet on Third Street and 99 feet deep where the bank building now stands.[45] The consideration given on the deed amounted to £5,000, and the converted sum paid former owner, Ann Pemberton, came to $13,333.33.[46] More than two years later, the Bank added an adjoining strip of land extending 22-1/2 feet further north along Third Street and of the same depth. Ann Pemberton made this sale too, for £2,000 or $5,333.33.[47] Two further purchases in 1798 and 1800 on Hudson's Alley to the rear of the Bank lot, one of which ran north to Chestnut Street and had on it a three-story house, completed the institution's transactions in assembling the original property.[48] They provided adequate if not

spacious grounds, and the house and lot fronting Chestnut Street offered living quarters and a garden that housed Cashier George Simpson for years. In 1800, the directors put up a brick wall around the property.[49]

These lots were ideally located for the Bank's purposes. They were at the city's, even the nation's, financial hub. Just off the nearby corner of Chestnut Street were offices of the Bank of North America, the country's first, once possessor of a Congressional charter, but now a prosperous state bank. In a roomy, old-fashioned mansion, one doorway west of Chestnut and Third Streets and little more than 100 feet away, Alexander Hamilton, Secretary of the Treasury, conducted that department's business. His several offices, Treasurer, Comptroller, Auditor, Register, and Receiver among them had long since overflowed into neighboring houses on both sides of Third Street, where their 89 clerks and other staff could find elbow room. The Bank's role under its charter as custodian of the Government's money, made a location next door to the Treasury business-like and convenient.

In fact, the lots now belonging to the Bank had at one time been enclosed by Israel Pemberton's garden, a local landmark described by Alexander Graydon as "laid out in the old fashioned style of uniformity, with walks and allies nodding to their brothers, and decorated with a number of evergreens carefully clipped into pyramidal and conical forms."[50]

Viewed from Third Street, over a low wall, the garden descended by three or four terraces to the banks of the Dock, or Dock Creek, as it later came to be known.[51] This garden made up most of a lot that ran along Chestnut Street from the corner of Third Street 99 feet and 255 feet along the latter thoroughfare. Conveyed originally by deed of June 12, 1694, to William Clarke of Lewes, Delaware, a wealthy lawyer, it became the site of his grand townhouse, described as built of brick, two stories high, with a double front and hipped roof. Deeded to William Clarke, Jr. as a wedding present in 1704, while in the tenancy of Lt. Governor John Evans, William Penn, Jr., and James Logan, Clarke Hall, as it was known, fell into neglect as the owner dissipated his fortune.[52] Confiscated by the Assembly in settlement, it was acquired by Andrew Hamilton and served as his residence for a number of years. Hamilton was the "Philadelphia lawyer" who defended Peter Zenger in the celebrated New York press case of 1735 and who, as Speaker of the Pennsylvania Assembly, promoted the building of Independence Hall itself. But the Privy Council at length nullified the act of Assembly, and the property reverted to Clarke. Hamilton's son, and heir in 1745 arrived at a compromise settlement with the claimants, and buying their rights, conveyed the property to Israel Pemberton on February 5 of that year. From Pemberton the property passed through inheritance to his son John, whose wife, Ann, acquired it in her turn.[53] Ann

Pemberton found the mansion to be larger than her needs demanded, and reserving a little space for herself, rented the remainder to Secretary of the Treasury Hamilton for use of his department. Hamilton's successor, Oliver Wolcott, Jr., remained in tenancy until the Government moved to Washington, D. C. in 1800.[54]

Thus, it can be seen that the property on which the bank building was constructed was rich in historical associations dating back a century. It was practically unobstructed land, on which stood only two frame shanties that conveniently burned to the ground in 1793.[55] It was a generally handsome setting, suitable for the institution about to build there.

The properties on the other side of the bank lot to the south had much less to recommend them. Owned by the Hudson family, who ran tanneries there, this noxious business owed its siting to the availability of a water source in the creek bed. Years before the stream had become so objectionable at this point that it had been arched over, a public work that had kept the nuisance underground since 1769. But the disreputable grouping of buildings remained, functioning most of the time, until cleared away by Stephen Girard in the 1820's.[56] After extending the back property to Hudson's Alley in the rear during 1800 and enclosing it, the directors had done justice to the setting. And

the effect of this effort did not pass unnoticed. If not intended primarily for public viewing, it attracted attention, for as one visitor reported: "Behind the bank there was a garden with the most beautiful flowers growing in it: this, however, was fenced up, so we saw it only from the outside."[57]

Chapter II

DEVELOPMENT AND USE OF THE BANK BUILDING

Building the Bank - Occupancy and Use to 1812 - As Stephen Girard's Bank - The Girard Bank and Girard National Bank - A Period of Decline

1.

There was the bank and there was the building--each has a history. Both will be explored in this report separately, in acknowledgment of their differences and the importance of each. Each complements the other splendidly; the bank's historical significance being unmatched by any non-governmental institution of its day while at the same time its building enjoyed ranking stature in American architecture. Also, the institution expressed itself through the building, while both had an existence apart, the one in its accounts and balances and the high-sounding names of its proprietors and patrons as well as its adversaries, the other in its carved stone, bricks, and mortar and its white loveliness in the morning sun. Bank officials, functionaries, and depositors felt a heightened sense of importance when ascending its broad marble steps and preening their feathers amidst the elongated columns of its portico. Passersby experienced no difficulty in imagining that decisions affecting matters of highest interest to millions took place behind its impressive marble facade.

In considering the building's structural history, the historian discovers that it belongs in that category reserved for those whose

structure still stands but whose documentation has disappeared. Some very significant structures, Independence Hall among them, belong in the same category. Public buildings seem predisposed toward this fate, with no public conscience to pilot record materials to safe harbor once their utility has been lost. In the second category, that of vanished buildings whose documentation is unusually rich, there are certain notable examples, Benjamin Franklin's House and that of General John Cadwalader among them. Interest in manuscript materials pertaining to the latter inspired a book to be written, though illustrations had to be limited to family portraits, tradesmen's vouchers, and photographs of furnishings, in the absence of contemporaneous house views. The third category, that of still standing historic buildings whose documentation is practically complete, is illuminated locally by the Chew House, subject of a well-documented article. This lack of documentation for the bank building will have little affect on the proposed adaptive restoration, as it is virtually intact externally, where the action will be, while the radically altered interior, undocumented by manuscript but photographed before being changed, is to be maintained very largely as it is. There appears to be no reasonable objection to doing otherwise, not on historical grounds at any rate.

If the Bank of the United States had continued in existence to the present, the records compiled at the time of its construction might or might not have survived to the present. So many like institutions have discarded such materials as useless or obsolete, that it is problematical whether or not the bank's building records outlasted its charter, or in other words still remained when the bank went out of business in 1811. Had they made it through the first period of bank activity into the period of liquidation, they would have ended up finally with the materials deposited at Founder's Hall in Girard College, upon termination of the trust (for closing out the bank's affairs) in 1852.[58] There is some indication from what is known about the process of liquidation that the mass of records confronting the trustees at the start of the process had shrunken measurably before the final step was taken.[59] There have also been signs noted by the writer that certain of the business papers from the original body found their way into Stephen Girard's papers, either while he and the trustees were sharing quarters in the bank building or after their deposit at Founder's Hall. As the former would have been an improper exercise of authority by the trustees, the latter is the more likely, and it further suggests the final distribution of the papers by Girard College authorities sometime during the past 120 years.[60]

So, to begin at the beginning, and interpret the few remaining scraps of evidence, two years after the bank opened for business, the directors took their first recorded steps to acquire a dramatic new facility for their institution. This was done quietly, with no attendant fanfare, in a creditably banker-like way, though that institution had no cause for pussy-footing, having already proven its worth in promoting the objectives of its founders: weathering financial crises, yellow fever epidemics, and hostile criticism, while providing services for the government, regulating the currency, and getting branch banks started in other cities. It was at this high point of optimism that the directors in February 1794 moved to buy the advantageously-located lot on Third Street discussed above. A circumstantial case can be made for their decision having been hastened by a dangerous fire on May 12, 1793 that had two effects: it menaced Carpenters' Hall where the bank was conducting business, and it burned down several profitable rental properties on the lot they were to buy, and brought it unexpectedly on the market:

> [The fire] broke out in some of the frame-houses, adjoining the offices of the Treasury of the United States, on the west-side of Third-street, which consumed three buildings and a part of a fourth, viz. The shop of a Mr. Craig, another shop of Mr. Douglass, a joiner; Mr. Morrow's gun manufactory, and the shop of Mr. Richard Mason, the genius improver of the fire-engine. . .. The attention of the citizens was so well directed, as to prevent the fire from communicating to the treasury offices, or to the bank of the United States, which was behind those houses, and

> it was effectually checked at the fourth house south of these offices, viz. Mr. Craig's . . .. The coach maker's shop, Mr. Hans, corner of Walnut and Fourth streets, was very nearly set on fire . . .. The bank of the United States was in imminent danger . . . but preserved from catching the flames by the incessant discharge of water from the engines.

Wind blew sparks as far as Sixth Street, while alleyway waste and industrial stock and chemicals added to the holocaust. There was loss of life and a public fund-raising effort to help victims.[61] A few weeks later the following advertisement appeared in the Philadelphia newspapers:

> To be sold, a lot of ground on the west side of Third street, between Chesnut and Walnut, fronting Dock street, in breadth on Third street, 100 feet, and in depth 99 feet . . .. For terms apply to Ann Pemberton.[62]

This close call doubtless unnerved the directors and made them dubious about staying in Carpenters' Hall. Six months later the directors bought this lot and by the time of the fire's anniversary, had a plan for the building ready to go to bid:

> Bank of the United States, June 13th, 1794
>
> Proposals will be received at the Bank of the United States until the first day of July next, for the Masons and Carpenters work of the Banking House, to be built in Third Street.
>
> It is not expected that more than the foundation will be completed this season.
>
> The plan may be seen by applying to
>
> John Kean Cashier[63]

Thus, it may be stated with certainty that construction of the bank building was underway with excavation of the site by the summer of 1794, and that ground level, to include the existing brick vaults, had been reached by the time the directors entered into their board minutes on January 6, 1795 this notation: "The Committee for superintending the Building of the New Banking House continued--"[64]

Implicit in the legend on the bank's front "FOUNDED 1795" is the date of the cornerstone's laying the following year. By November 1795 topping out was in sight, as this entry in the board minutes indicates:

> Agreed that the Cashier write to Mess. Bearing [Baring] to procure & ship by the first Vessel from Liverpool or Bristol where it can be had on the best terms 1500 sheets of Copper 48 x 24 inches each sheat weighing 8 pounds--for the Roof of the Banking House
>
> with a sufficient Quanty of Nails suitable for fixing the Copper upon the Roof--[65]

The work proceeded slowly. In June 1796, basic structural work was still being rectified: ". . . application being made by the Directors of the United States Bank to have the Windows rehung it is now agreed that same be done with Iron frame Puleys and that the same be done by Charles Rhodes."[66] The tax records for the years 1795, 1796, and 1797 carried the bank construction as either "Unfinished Building & Lott" or "Unfinished Stone & Brick Building."[67] It had advanced far enough, however, by August 1795 to be made subject of the description

given to John Fenno's Gazette of the United States and discussed above. From that account, it is obvious that the impressive marble work of the front had not yet been executed: "The entrance to this building will be by a flight of steps to a Portico supported by six columns of the Corinthian Order, of 3-1/2 feet diameter, to stand in pairs at the corners, with an intercolumniation for the other columns of about two diameters . . .. The principal elevation will be ornamented by ten Pilasters, forming seven recesses for the door and windows; . . .."[68] Written undoubtedly with the plans at hand, this description speaks volumes for his readership's imagination and vocabulary. It also reflects plans rendered in considerable detail, work out with care.

Progress of the work can also be traced from the bank's quarterly statements. Through January 1796 a total of $30,428 had been expended, as the statement of that date reads "Towards building [the] Banking house." By June 30, 1797 the total for building had reached $95,158. It was at this point, with scaffolding for the marble workers still in place that the movement from Carpenters' Hall to the new building began. By years's end, with the scaffolding struck and a virtually complete structure in use, $112,804 had been paid out on building and grounds. By the end of 1800, with

additional lots and buildings also acquired, the total for the "Bank Estate" stood at $148,542.[69] Erection of the bank lot's wall in 1801 brought the final total to $149,803.07.[70]

Actual dates for taking possession of the new bank building can be established as those days before the doors opened to the public on July 24, 1797. The next day Philadelphia newspapers chronicled the event:

> On Monday (July 24), for the first time, the Bank of the United States transacted business in their new building, south Third Street. It is not yet finished, but it seems to advance very rapidly to a completion. This may safely be pronounced the masterpiece of Philadelphia, for beauty and grandeur of architecture. The front is covered entirely with elegant polished marble, decorated with superb specimens of sculpture, and a grand piazza in finishing, the top of which is supported by marble pillars of an immense size and height.[71]

Despite these assurances, it was not until December that the marble work was ready to be seen unimpeded. "Wednesday morning [December 20] the workmen at the new Bank of the United States struck their scaffolding, and unfolded the novel and enchanting scene [describing the beauty of its white marble, and the effect of the six columns, he continues]. The entrance to this building is by a flight of nine steps through a Portico, in its proportions nearly corresponding . . . ten columns in Relievo of the same order

[Corinthian] and proportions support the principal front; the tympan of the pediment is adorned with the arms of the United States; there is one door in the centre with windows in each of the interstices."[72] The effect was too sensational for the artist who worked these wonders to escape identification. Taking advantage of the free publicity that his long engagement had thrown his way, he grandiosely offered his services to the public:

Building & Sculpture

C. F. LE GRAND & SONS

> RESPECTFULLY inform the Citizens of the Unites States of America, and in particular those who intend shortly to build houses, or wish to improve those already built.
>
> That having just finished the marble collonade, sculpture, carving &c. of the portico of the new building of the Bank of the United States, they are ready to contract for any works of their respective job of stone cutting. . .
>
> Companies or directors of public works will find it to their advantage to employ him; for, being assisted by his three Sons in the superintendence of the works he can ensure punctuality. . .
>
> . . . Orders received at their Yard, in Market between Tenth and Eleventh streets, will be duly attended to.[73]

When everyone had gotten over the dazzling first effect, critics began to look behind the crystalline facade. As has been noted, the designer, Samuel Blodget, himself took exception to the failure of the directors to carry the marblework around the back: ". . . its brick sides are an injurious deviation."[74] In fact, from all accounts the facade was something of a false front, for as Mease

revealed some years later, ". . . excepting the four external walls and the vaults, the entire structure is of wood."[75] Fenno had forecast that most of the building would be "plain and square," and so it was.[76] The first floor featured a barrel vault supported by columns of the Corinthian order and an open plan, described as follows: "The whole ground floor, excepting the small area of the stair case, and small private rooms for the President and Cashier, is appropriated for the hall of business."[77] The effect was, as described by architect James H. Windrim, who later remodelled it, "The low-ceiled apartments in which the first United States Bank started business."[78] Upstairs were more rooms, controlled architecturally by the curvature of the first floor vault. The partitioning of all floors was thus framed in wood, its joists were of wood, its lathing wood, and its vestibule stairs of the same material. It must have been a firetrap. Even the tympanum was wood, the great eagle as well, but of mahogany.

2.

There remained but fourteen years in the life of the charter when the staff moved in. At the time no one worried about that, assuming that renewal would be a matter of form with Federalism at high tide. But a lot of contingencies were to arise, and though at

the time unforeseeable, the Federalist party would by 1811 become but a discredited shadow of the powerful and unified force it had been in 1797.

Despite the general paucity of sources and data about the Bank and its building, the extensive search of years past has corralled scraps enough to illuminate facets of the building's occupancy and use until the day of the Bank's dissolution. As might be anticipated, a building so new required little structural work during these years. Miscellaneous bills for the years 1800-1801 that found their way into the Etting Collection at the Historical Society of Pennsylvania or into the "Papers of the Late Bank U.S." category of the Girard Papers at Girard College or the "Expences for 1811" category of the same collection refer to such recurring maintenance as "mending steps an puting a latch on door," "whitewashing the . . . Banking house," "painting done . . . at the inside of the . . . Bank" (including application of 25 yards of "mahogany Colour & Varnish.d"), "putting in Circular Sash," and "paveing the watch house." These same sources reveal a good deal about the building's fixtures and furnishings. Thus, acquisition of "1 pair bcx beam plate Scales," "6 Setts Pennyweights & Grains," "1 pine Riting Desk" and "frame," a "Bench," "an 18 Inch Metal Scale Themo[mete]r in Mahogany case," "a 6 plate Stove" and pipe, "15 lb. of pipe for 10 plate stove," "A wrought Iron Chest," "24 Pidgeon Holes," "1 foot Bench," "1 Pair box beam

Scales in wainscot Box," one of the same of smaller size, "1 Pair money Scales with mahogany Box & Brass Stand," "2 Mahogany Stands for Scales with Fixtures compleat," "1 Sett Bank weights consisting of a 10, 20, 30, 40, 50, 100, 200, 300, 500, 1000, & 2000 penny-weights," and a "Map of Lands late of Harrison & Sterett in Genesee, State of New York" during these years provide valuable insight into appearance of working surfaces. Repairs to such items as "Seal" presses, the "Boarding up the end of the Counter [using white pine]," "taking up" and "fixing down" carpets, and "attending the time piece for 1 year" have like effect. When the city's new water system went into operation, the Bank subscribed, and in 1801 received its connection and began to pay water rent. A huge volume of expendables, ofter purchased in gross quantity, passed through the building's portals during these years, to be consumed during operations: reams of foolscap No. 1, twine, blanks and forms; quires of blank resolves on extra large vellum post folio, hot-pressed; bills of lading; gallons of black ink and vials of red; stamps; reams of blank checks and blank notices; dozens of black lead pencils; paste pots; sweeping brushes; tie ribbons; rulers; and casks of spermaceti oil for the lamps. Among the unusual expenses that make the picture more vivid were those for providing the watchmen, who manned the watchbox outside, greatcoats of drab cloth and baize linen trimmings with "mettle buttons." Watchmen, John B. de Bree, Frederick Kuhl, Jr.

and Mathew Gebler, are listed with salary paid, as are bookkeepers Samuel Lippincott, Britain White, Robert Oliphant, Thomas Smith, and John Heaton, clerks G. Kemp, Samuel Simpson, David Mandeville, first teller James Davidson and second teller James Bringhurst, George Simpson cashier, and Thomas Willingpresident. Transcripts of these materials are in the Park's research note card file for whatever purpose they may yet serve.

As the time for recharter of the Bank approached, its stockholders had reasonable hopes that Congress' action would be favorable. Secretary of the Treasury Albert Gallatin by 1810 had overcome President James Madison's reluctance to recommend an extension. But factionalism within the Republican party brought stiff opposition. Charges that a financial oligarchy dominated the United States were voiced by rabid Republicans who hoped to drive Gallatin out of public life and prevent Madison's renomination in 1812. The state-chartered banks joined the hue and cry, while tradesman's petitions flooded the legislatures, demanding that Congressmen and Senators be instructed to vote against renewal. The incubus of foreign stock ownership was also laid on the institution. A flurry of last-minute activity ensued. The charter was to expire on March 4, 1811. On January 24, the House by a vote of 65 to 64 indefinitely postponed consideration of the bill. In the Senate the bill failed by the tie-breaking vote of George Clinton, only eleven days before expiration of the original

charter. A last minute effort to gain the time it would take to wind up the Bank's affairs also failed. They tried the state of Pennsylvania only to be turned down for a state charter. They renewed this effort the following year, offering the state support for internal improvements as part of the bargain. Again their overtures were rejected. Meanwhile, fate of the building hung in the balance. Not until the last glimmer of hope faded did the building leave their hands. The Bank's affairs for a year had been conducted under the terms of a trust, executed on March 2, 1811, just two days before expiration of the charter. Although out of business, the Bank was kept together by the trustees, to whom had been conveyed control. They spent the year reducing loans, paying off depositors and note-holders, and accumulating specie, and kept intact the assets, pending the outcome of their efforts to obtain a state charter. Now the time for liquidation arrived. In an unanticipated move, merchant Stephen Girard, in June 1812 acquired title to the building and established his own private bank there.

3.

As a trader Girard had long had a detached interest in the Bank, and despite sympathetic affiliation with the Republican party, was convinced of its utility and honesty. Hard-headed and realistic, he

was not taken in by anti-Bank propaganda and warnings about foreign influence. He had thrown his weight behind the move to recharter the Bank, and in the middle of its most critical period in 1811 had his correspondents in London, Baring Brothers, convert all his European holdings into Bank stock, then selling at 90% of par, and followed this up by dispatching agent, Joseph Curwen, abroad to buy up additional shares at 83% and up. He thus came to hold 948 shares, which in 1812 he capitalized at par ($400), adding other securities to the total until by June 1, 1812 it reached nearly $1,200,000. From then on he turned his profits into the capital account until it reached $3,000,000. This was the basis for his bank, a handsome figure measured against capitalization by other banks that seldom reached $1,000,000.[79]

Girard did not merely buy the building and start anew. His bank became, on a somewhat reduced footing, a reincarnation of the old bank. As a very large shareholder in the former institution, he was able to bring its business and funds into his bank. He re-employed the bank staff, Cashier George Simpson included, who continued to live in the Chestnut Street house. Confronted at the outset by fierce opposition from Philadelphia's four established banks, who circulated jibes about the soundness of this unincorporated

bank's operations. Offering complete services and elasticity and speed-of-decision accruing to one-man management, he was a formidable competitor. True to his Republican principles., he laid down a policy of preference for small loans to small businessmen, but limited such credit to sixty days and refused renewals. By thus discouraging speculation, reinforcing this by collateral requirements that ensured soundness, and by demanding two signers of notes and denying loans on mortgages, he was able to keep most of his capital in motion, maintaining few reserves. This added considerably to available credit in Philadelphia during an important period of growth. His notes, bearing the eagle and ship motifs from the carvings of the bank's facade, held par in the face of his rivals' belittling. The public, and small businessmen in particular, had confidence in him and his principles.

Up until the War of 1812's dark period, Girard's historical importance was no more than that of any one of the country's wealthy merchants. His bank had not yet asserted itself, and was, in fact under attack in the Pennsylvania legislature, where an attempt was underway to make private banks illegal. But his state of liquidity was well known. Secretary Gallatin, with an empty treasury behind him, visited with Cashier Simpson in May 1812 to propose a million dollar loan. In return he was ready to take steps for reducing

local pressures on Girard. But owing to an existing agreement with the Philadelphia banks, Gallatin could not receive Girard's notes, and the deal fell through. With the failure of the $16,000,000 national loan the next year, the situation passed from critical to desperate. Gallatin was forced to come again, hat in had, and in exchange for Girard's agreement to manage the floating of the unsold portion, he agreed finally to accept Girard's notes. A tidy premium also entered into the arrangement. Girard brought Stephen Parish and John Jacob Astor into the deal, and rounded up 124 additional investors for amounts under $100,000. He personally subscribed for bonds in the amount of $1,191,500, but was responsible directly for placing of the entire unsold balance. This was an historic hour, one to be recognized in the program of interpretation of the building, as so much of this activity centered there. Girard emerged the "Financier of the War of 1812" as Robert Morris had been of the American Revolution. He also attained recognition from the Treasury and a Nation-wide reputation as well.

What had been at first merely adroit moves into a new field, became in time an infatuation. Girard more and more relished his institutional affiliation, and as time went on lavished attention on the building and grounds. A recluse by nature, he spent much of his time there, and his ways, as described by the cashier's son, Stephen Simpson, an author of note and one-time bank employee, make

fascinating reading. Filled with anecdotes, many of them expressive of Girard's cramped personal philosophy, it rings true for its candor in an age when candor was not at all common.

Not only did Girard lavish attention on the building and grounds, he also lavished money on them. From the unusually complete Girard Papers, it has been possible to extract literally hundreds of entries from accounts and vouchers for work done and improvements made. Yet, he never came to exercise complete domain over the building. By the terms of the memorandum of agreement by which on May 9, 1812 sale of the property was arranged, the trustees were to retain use of the Directors' Room, the north side of the Banking Room, the President's Room and adjoining vaults, and one of the large basement vaults.[80] This remained a thorn in Girard's side for the remainder of his life and he made several unavailing attempts to move them out. He never was sole occupant of his revered building.

For years after his purchase of the property, Girard had to contend only with normal maintenance expenses and minor improvements. He paid for the repair of four lamps in 1812, installed two "Russian" stoves in 1813, and had some coping, repair of plaster, and painting done in 1819.[81] The grounds during this period became a mania. In 1817, allowing, as Stephen Simpson phrased it, "His passion for building . . . to [overcome] his love of economy," he engaged in an extensive and costly rebuilding of the garden to

the rear of the bank. Observing that the backsteps and garden wall were settling, he remedied it by "excavating an immense chasm, digging down below the bed of the ancient creek, in the rear of old Israel Pemberton's house, and then driving piles of the most substantial kind until the whole became as solid as a rock; upon which he built a mass of stone, of several thousand perch."[82] He rebuilt the walls and gates at this time, and then set about improving the garden itself, where in addition to the lawns and trees that had been there he placed peach and cherry trees. He maintained a grape arbor behind Simpson's house.[83] The care of this garden he imposed on the watchmen. In his enthusiasm for outward appearances, he later installed the eagle gates with gilded stars that were restored by the National Park Service in 1960.[84] During the 1820's, with the building now a quarter of a century old, Girard had to make extensive repairs. The front steps had to be rebuilt and the nosings removed. Large-scale painting had to be worked on those same years. The latter years, the plaster of the portico's ceiling had to be renewed, in the process of which fine stucco from marble powder was employed, doubtless with scintillating effect.[85] Last of all, in 1831, he installed a new heating system that featured wrought iron cylinders.[86]

His final enlargement of the property occurred in 1827, when he purchased the tanneries of John Ashburner south of the bank building

to rid the neighborhood of what Simpson described as "one of the most disgusting nuisances of the city." To replace these and disfiguring frame buildings occupied as currier shops, he erected brick houses, that became profitable as well as beautifying.[87]

Stephen Girard died on December 26, 1831 at the age of 82. He left the Bank building in trust to the City of Philadelphia, in the famous "Girard Estate." The Bank was extinguished and its funds added to the estate.

4.

The Bank building now came under the commissioners of the Girard Estate. Their records have not been found. After 1869 it came under a committee of the Board of City Trusts, in whose records nothing of great importance has been located.

Little time was lost in organizing a bank to take the place of the one being liquidated, and incidentally to occupy its quarters. By August 23, 1832, the newly chartered concern, bearing the title "The Girard Bank" opened its doors. This new institution had its ups and downs, having to suspend business in 1842-1846 after failing. The trustees of the First Bank, remained confined to the north side of the Banking Room. In 1854 the offices of the City Controller and City Treasurer were established in the building and they remained for many years, until the new city hall was ready to receive them.[88] With

the passage of the National Banking Act in 1864, the Girard Bank became the Girard National Bank.[89] The most significant known change during those years was the painting of the brick walls in 1846 to make them harmonize with the facade.[90]

In 1902, the building's interior was reconstructed to accord with the day's standard for banking facilities. Noted architect, James H. Windrim, redesigned it. It is this interior that has come down to the present. The Girard National Bank moved out in 1926 after merging with the Philadelphia National Bank. Their period of occupancy, longer than any other, is not judged to have historical interest in any larger sense. Though a successful city bank, it has never been numbered among the giants of banking.

5.

The years that followed were bad ones for the bank building. The Board of City Trusts found whatever use it could be put to, including service as an American Legion hall from 1930 to 1945 and relief point during the depression. Its stonework continued to weather through these years, after 1945 under the eye of the Board of City Trusts, whose principal offices were kept until 1953. With the coming of Independence National Historical Park, they moved out, and it has been in federal use ever since.

Chapter III

HIGHLIGHTS IN THE INSTITUTIONAL HISTORY OF THE BANK

Background to Banking in America - Hamilton's Report of 1790 Considered - Establishment of the Bank

1.

Commenting in a light vein on the title "First Bank of the United States," Professor James O. Wettereau, noted authority on that institution, makes the following points:

> The name 'First Bank' is a little misleading, . . . and was never actually used during the period of corporate existence of the institution from 1791 to 1811. It came into vogue posthumously and historically, so to speak, to differentiate the "old" Bank of the United States from a "new" or "second" Bank of the United States which functioned under federal authority from 1816 to 1836. As a matter of fact, the Bank of North America, incorporated December 31, 1781, by the Confederation Congress on the recommendation of Superintendent of Finance Robert Morris, was the first true commercial bank in the United States; and considering its national purpose, its national charter, the heavy national subscription to its initial capital stock, its services to the national treasury during 1782-1783, and its temporary monopoly, it was also the first bank of the United States . . ..[91]

Wettereau goes on to remove the Bank of North America as a contender for further honors by demoting it in its later status to the level of a "purely local bank, operating under the authority and control of the Commonwealth of Pennsylvania rather than under the aegis and patronage of the United States."[92]

Banks in their various forms being a commonplace in the life of America today may easily be thought to have come onto these shores during the earliest stage of settlement. Integral not incidental to the entire capitalist system, they are, in fact, an outgrowth of the system set in motion by Secretary of the Treasury Alexander Hamilton, responding himself to a phenomenal burst of entrepreneurial activity in the period of the American Revolution and afterwards. Corporate capitalism as we have come to know it lay yet far in the future, but the seeds had already sprouted. To more than a few, it had become evident what the corporate form could achieve in a continent of unbounded resources, unhampered by colonial status, its destiny in the hands of its own inhabitants.

Late in the 18th century the nation still had what is known to economists as a "subsistence economy." In the population of nearly four million revealed by the 1790 census farming predominated as the means of livelihood. The traditional dependence on Great Britain, with its adverse trade balances and restraint on unwanted lines of economic activity, was felt nowhere more forcibly than in that of financial enterprise. As summed up by one scholar:

> There were no manufactures requiring extensive capital and banking facilities; the financial aid necessary to carry on the operations in the agricultural and domestic systems was supplied by individuals in the Colonies; the retail trade and the coasting and shipping industries were conducted on English capital; the banking for the merchants was done in

> England; and colonial merchants, with the aid of their own capital, and their banking connections in England, were able to give to individuals and small traders, the limited banking services and accommodations which they required.[93]

Furthermore, financial activity was retarded by what one authority has referred to as "unwholesome banking traditions in the colonies," as well as popular fears of special privileges and prejudices against moneyed institutions.[94] These attitudes were not totally without foundation:

> The colonies boasted no banks of discount and deposit. So-called "banks" there were, of course, the term commonly signifying mere batches of "bills of credit" issued by public authority. At best the colonial "banks" were merely public trustees or private contractual associations which made loans on collateral, usually for a considerable term, generally with real estate mortgages as security, the currency passed being merely paper certificates which expressed on their face a value in terms of hard money which in exchange they more or less approximated.[95]

Pennsylvania's Loan Office, initiated by Andrew Hamilton, fits this description, and its bills held up well. Later issues after his successes of the 1720 and 1730 era profited by example. The most famous such institution was the "Land Bank or Manufactory Scheme" of Massachusetts, that did not fare as well.[96]

All the time a perfectly good example of a commercial bank, The Bank of England, was in plain view. Established in 1694 to stimulate commerce as well as turn a profit for its proprietors, it

had from the beginning supported government funds and proved repeatedly its value to the public. After existing by extension of the original charter at expiration from time to time, the bank was finally by an act of 1764 given the status of a "body corporate and politic for ever." To secure its credit, it had been granted a monopoly by statute that prohibited establishment of any other banking company in England by law of Parliament, or any to consist of more than six members; or that they might issue bills or notes payable on demand, or for any time under six months.[97] It was thus, in the words of a well-known guide to London, ". . .not only . . . an ordinary bank, but . . . a great engine of state:"

> It receives and pays the greater part of the annuities which are due to the creditors of the public; it circulates exchequer bills; and it advances to the government the annual amount of land and malt taxes, which are frequently not paid up for some years. It likewise discounts the bills of merchants, and has upon several different occasions, supported the credit of the principal houses, not only of England, but of Hamburgh and Holland. The business of the bank is under the direction of a governor, sub-governor, and twenty-four directors, who are elected annually by a general court; and is transacted by a great number of clerks in different offices.
>
> The Bank of England may be considered as the main spring of that complicated mechanism, by which the commercial payments of this country are transacted, and by which the comparatively small sum of money with which they are transacted, is kept in perpetual and regular circulation. The subordinate parts of this machine consist of. . . private banking-houses in London, and. . . banks dispersed over the country. By the joint operation of these various money dealers, almost all bank payments founded on commercial bargains, are ultimately settled in London with the money which issues from the Bank of

> England. This money consists, in ordinary times, partly of coin, and partly of bank notes. From its large capital and extensive issue of paper, that bank indirectly supplies the nation with as much gold as is required for circulation. Its notes are issued in loans, granted either for the accommodation of the public Treasury, or for that of merchants, by discount of their bills; and in consequence of a common agreement among the bankers, no notes of any private house are current in London. All the large payments of that metropolis are in this manner effected by the paper of the Bank of England, and they are chiefly transacted by the private bankers, who, . . . have probably in their hands a very large proportion of the whole of the notes circulating in the metropolis. [98]

This is a classic statement, reduced to lay terms, of the functions of a central banking system, one whose influence was pervasive in America in the early years of the Republic.

In an attempt to garner some of the advantages to trade here enumerated, Robert Morris in 1763 and again in 1774 tried to establish a commercial bank in Pennsylvania. But he ran afoul of the British government's restrictive policy. Such an institution would have offered no competition to banks at home, as a perfectly broad and open field of activity existed on the American continent, but tied to mercantilist system conceptions, home office officials reacted negatively. Then in 1776 an event as momentous in the field of trade policy as the Declaration of Independence was in that of political theory took place. A Scottish divine, Adam Smith, published his Wealth of Nations, a treatise that rocked the old school of thought back on its heels. Consistent with the advantages that

Britain enjoyed in production in this first stage of the Industrial Revolution, were the free trade doctrines Smith propounded. Included in this body ot theory were these principles concerning the relationship of paper money to precious metals, heretofore considered the basis for all wealth:

> . . . Every saving in the expense of collecting and supporting that part of a national capital which consists in money, is an improvement of the revenue, hence the utility of paper bank circulation, which supplies the place of an expensive instrument of commerce with one less COSTLY and more convenient. The credit of a banker gives his notes all the value of money in circulation, . . . where this paper money is employed in the increase of materials or employment of labourers, it promotes industry and wealth, this use of an over-plus of money is more prevalent. It is, therefore, of advantage to society to increase the quantity of currency by bank notes, as it gives an opportunity of increasing the quantity of materials, tools and maintenance for labour, and consequently of the produce of labour . . ..
>
> . . ..The judicious operations of banking, by substituting paper in the room of a great part of the gold and silver, which was dead stock, and hereby enabling the country to convert this part into active and productive stock, are exceedingly beneficial to commerce.

Smith's ideas proved to be popular in the United States as elsewhere, and they helped to prepare the way for widespread demands from the business community for banks in the post-war era.

During the period of government under the Confederation, the nation's economy languished. No longer occupying a favored place in the British market, America's surplus produce had to compete for buyers, while this country's shipping was barred from the carrying

trade in British possessions. A glut of consumer products filled the shops after the great importation of goods on consignment of the 1783 season ended. Without the means of payment, these stocks constituted an inventory problem throughout the period. Productive growth also slowed after an initial spurt. In this economic climate there was little need for commercial banks away from the great commercial cities. Absence of the power to regulate trade prevented Congress' acting. Nevertheless, banks were chartered at Philadelphia, New York, Boston, Baltimore, and Providence during this period, marking a start in the trend that made commercial banks the most important financial institutions in the country during the next stage of national growth. Adoption of the Constitution and instituting of government under it, passage of revenue measures, and funding of the debt, changed the outlook by the end of 1790, and made investment a certainty. Manufacturing took an upturn. Now what was needed for continued growth was a well-regulated system for making capital available, for "shifting funds from savers to investors," as one authority has expressed it.[99] It was at this juncture and in response to these factors that the Bank of the United States made its appearance.

2.

Somehow, the idea has become ingrained in people's minds that the Bank had its start as an entirely original idea with novel features

never before tried and that it was imposed, fortuitously or unhappily, by a profit-hungry faction, employing questionable powers to do one thing when the public had elected them to do another. From this body of assumption the next step, that of assigning motives, tends to follow one's general political views, and the final judgment is rendered accordingly. Much written at that time admiringly or disparagingly has helped to install this oversimplification of the case. Typical expression was given to these beliefs by the bank building's designer, Samuel Blodget, Jr., who as a stockholder and director of the Bank of Massachusetts should have known better:

> The Bank of the United States established on a plan by Alexander Hamilton . . . with the additional active capital obtained by funding the war debt, produced those astonishing changes, the effects of which are yet in operation; by these our public and private credit was restored and increased, agriculture, the arts and sciences were everywhere encouraged; while commerce, universal industry and enterprize, raised, as if by magic, our public and private resources, and our individual and national character, to its present exalted and increasing state.

Whatever, the reasons for the sequence of activities, and there were many, everyone knew that Hamilton's national bank report was the second of three celebrated reports to Congress, two on public credit and one on manufactures, that became the basis for measures taken and policy established by which the domestic program of the Federalists was carried through. The title itself "Second Report on

the Further Provision Necessary for Establishing Public Credit" may be taken at face value, as to its intent and place in the scheme of things. This was rendered before coalescing of the American Presidency's cabinet system, when Hamilton thought of himself as an official corresponding in many respects to Britain's Chancellor of the Exchequer, with independent access to Congress, and in-house relationship with its membership, and the duty to provide steerage in matters financial. And that accounts for the length of title and the form given it, as well, of course as its contents.

Behind the report was, in fact, a dozen or more years thought and an informed opinion on the subject derived from study of prototype institutions, the works of political economists, and the experience with banking in this country since his earliest ideas had formed. As early as 1779, Hamilton made his first known approach to Robert Morris on the subject of a national bank. Subsequently, he was in touch with him in 1780 when the so-called Bank of Pennsylvania, in effect, a fund established to finance the war, was set up, and in 1781 when Morris, as Superintendent of Finance, recommended chartering the Bank of North America. On this last occasion Hamilton expressed those principles that were to persist through to and beyond the chartering of the Bank of the United States:

> The tendency of a national bank is to increase public and private credit. The former gives power to the

> state for protection of its rights and interests, and the latter facilitates and extends the operations of commerce among individuals. Industry is increased, commodities are multiplied, agriculture and manufactures flourish, and herein consist the true wealth and prosperity of a state. [101]

And after the passage of a decade, he carried the same basic conception into the bank report.

First and foremost among the influences on his thought was the model furnished by the Bank of England, whose charter provisions can be readily seen in the national bank report. It has been written that "Hamilton worked with the British statutes laid out before him," and Bray Hammond has correlated the like sections for those interested to know.[102] The related body of law that complemented the statute of 1694 doubtless also were known to Hamilton, and are reflected in those paragraphs of the report that advise against engagement in trade, restrict liabilities, and prohibit financing public bodies without permission of the legislature. He had available books that described European banking practices.[103] Hamilton had also received a copy of Adam Smith's Wealth of Nations from his sister-in-law, Angelica Church, married to an English financier, and probably derived from it sections dealing with branch banks and loans as specific credits. Hamilton also had lived through the acrimonious bank wars of the 1780's and was well-aware of the prevailing favorable sentiment for loan office operations. Franklin's article of 1787 on the subject would have been well

known to him.[104] From the scrap in Pennsylvania over the Bank of North America's charter, significant defenses of the bank had been written by James Wilson and Gouverneur Morris, and these were known to Hamilton. A copy of a pamphlet by the former is still in the Hamilton papers.[105] Hamilton's personal contacts also included some of the largest shareholders and most influential men in American finance of the time. Jeremiah Wadsworth and John Barker Church, his partner, were intimates as well as principal stockholders in the Bank of North America and the Bank of New York. Tench Coxe, Peletiah Webster, William Barton, and John Witherspoon had also written effectively on issues affecting the Pennsylvania Bank. Wealthy Pennsylvania Senator William Bingham, had written to Hamilton suggesting measures he might take as Secretary of the Treasury, while former secretary of the Board of Treasury, Samuel Osgood, may have had important influence conversationally on the amount of capitalization. Bank management, specie to deposit ratios, and voting rights relied heavily on British precedents, including operations of the Bank of Scotland.

Of particular interest are the report's omissions. He does not entertain the important question of Congress' authority to establish a bank, nor does he consider the inflationary effects of such an engine of finance although the principal writers on the subject give generous space to it.

In summary, the advantages of banks he draws from Adam Smith, the answers to potential criticism that comprise the second section come from experience of the Bank of North America, the rejection of branch banking comes from the example of the Bank of England, as do the bank articles of the plan proper, and the rejection of land as a security for loans or a stock from the Universal Dictionary.

3.

That the process of reestablishing government would include provision for some form of national banking was taken for granted after ratification of the Constitution. Only the ups and downs of the three existing banks during the economic troubles of 1784-178[illegible] had prevented the Constitutional Convention from acting on the proposal that specific power of incorporation be included among the enumerated powers granted to Congress. They chose to soft-pedal; leaving it, among other issues expected to develop once the government commenced operations, to be handled under the "necessary and proper" clause of the Constitution. The experience of the Bank of North America, holder of a charter from the Continental Congress, the effect of which beyond the borders of Pennsylvania expired with the peace treaty in 1783, had been one of harrowing controversy that convulsed Pennsylvania for years. Many looked for reinvigoration of this institution, to supply the need for an engine of finance, but its proprietors showed no inclination to venture from now calm waters into the seas of nation-wide controversy.

After the first phase of inaugurating government, passing the first income measure (1789 tariff bill), and organizing executive departments, interest again revived in what many regarded as the logical next step:

> The establishment of a National Bank appears to be an object of very general expectation. Such a plan would give a spring to trade and commerce through the States, by introducing a competent circulating medium - by enabling Congress and the several States to realize to the public creditors some part at least of their just demands, and by restoring a confidence in the national faith - it would unlock the iron repositories of many thousand rusty dollars, which have long been confined by the wary proprietors, lest they should on being released, make to themselves wings of paper and fly away. This plan would only conduce to strengthen the national government, and remove jealousies respecting particular states accumulating more, while they pay less than their proportion of the public revenue - For the bills of the national bank, being unlimited in their circulation through the States, superior industry alone, will add to the aggregate amount in any particular State. 106

But Secretary of the Treasury Alexander Hamilton's order of priorities called first for tackling the thorny problem of funding the country's debts. Congress had resolved on September 21, 1789 "That an adequate provision for the support of the public credit is a matter of high importance to the honor and prosperity of the United States." In his first report on public credit, dated January 9, 1790, and communicated to the House of Representatives on January 14th, Hamilton not only proposed refunding the debt with a new issue of exchangeable funding certificates that he expected would invite foreign investment capital,

but introduced the prospect of a national bank: "The Secretary contemplates the application of this money through the medium of a national bank, for which, with the permission of the House, he will submit a plan in the course of the session."[107]

Owing in all probability to the long delays over the question of Assumption and the removal of the government from New York to Philadelphia, it was not until December 14, 1790, during the third or "lame duck" session of the First Congress that the report finally was presented to the House. His reputation as yet untarnished by later scandals and untouched by political controversies yet to be fought, Hamilton struck out boldly with a proposal of his own making. Extolling the services banks offer, arguing down objections to them, and explaining the need for a bank related to government functions, he recommended creating an entirely new institution to accord with a new set of principles and to act as "an indispensable engine in the administration of the finances." Sharp opposition ensued, led in the House by James Madison, who linked it as a scheme with the ongoing speculation in funding securities and questioned its constitutionality. Yet, by January 20, the bill passed the Senate and by February 8 was through the House. Then Washington gave it unusually detailed consideration, receiving opinions of Hamilton, Secretary of State Jefferson, and Attorney General Edmund Randolph before signing the bill on February 25, 1791. The Act chartered <u>The President, Directors and Company of the Bank of the United States</u>.

A supplementary act of March 2, fixed July 4 and Philadelphia as the date and place for receiving subscriptions. Turmoil reigned as businessmen in various cities planned to get an influential share in the stock. Philadelphia, Boston, New York, Baltimore and Charleston ended up with the lion's share of the $8,000,000 worth open to subscription (The government had reserved $2,000,000 worth.) at $400 a share. Over-subscription's dangerous potentiality was overcome by Hamilton's managing to trim the sales in a roughly equitable distribution. Right away the dire predictions heard earlier in the year seemed to come true, as the "Scrip" or temporary receipts for the initial $25 payment, became the subject of unprecedented speculation. With 20,000 shares of stock involved, there was room aplenty for such developments, where the "Scrip" cost so little.

On October 1, the first stockholders meeting was held, the first board of directors elected, and within a week the bank was organized, with Thomas Willing, Robert Morris' partner and formerly president of the Bank of North America, elected President. John Kean became cashier. Even before opening the doors in Philadelphia, the board determined to establish branches at Boston, New York, Baltimore, and Charleston. To this number later were added branches at Norfolk, Washington, Savannah, and New Orleans. The Bank opened its doors on December 12, 1791 and flourished from the start. It performed as Hamilton had hoped, and

gained great prestige during the twenty years that followed. Its stock began to move to foreign shores very quickly, but this had no influence whatsoever in the way the Bank was run. Rotation of the board brought a fresh interest regularly to the Bank. David Lenox succeeded Willing in 1807 upon the latter's retirement. George Simpson succeeded Kean as cashier when the latter died during the yellow fever epidemic of 1793.

The genius of Hamilton's plan was the first "constructive monetary use of bank credits," and this itself a "notable piece of economic statesmanship."[108] It opened wide the business future of America. The Bank resulted from a philosophy of enlightened self-interest that appealed strongly to that era's budding entrepreneurs. And it persevered, until struck down, as "the mainspring and regulator of the whole American business world."[109]

FOOTNOTES

1. The New World, July 26, 1797

2. Claypoole's American Daily Advertiser, Dec. 25, 1797.

3. Lancaster Journal, Dec. 30, 1797. "Description of the Bank of the United States," The Weekly Magazine, Feb. 3, 1798.

4. J. H. B. Latrobe, ed., The Journal of Latrobe (New York, 1905), p. 84.

5. Metchie J. E. Budka, ed., Under Their Vine and Fig Tree: Travels Through America in 1797-1799, 1805 . . . by Julian Ursyn Niemcewicz (Elizabeth, N. J., 1965), p. 37.

6. Thomas Lee Shippen Diary, VI, (1797), Shippen Deposit: Diaries, Library of Congress.

7. "Brief Sketch of the Origin and Present State of the City of Philadelphia," The Port Folio, April 6, 1805, p. 98. A. R. Beck, transl., "Notes of a Visit to Philadelphia Made by a Moravian Sister in 1810," Pennsylvania Magazine of History and Biography (hereafter referred to as Pennsylvania Magazine), XXXVI, p. 355. J.A. Paxton, The Stranger's Guide . . . of Philadelphia, 1811, p. 13. James Mease, The Picture of Philadelphia. . . (Philadelphia, 1811), p. 320.

8. Included as Plate XLIII. Owen Biddle, The Young Carpenter's Assistant or A System of Architecture, Adapted to the Style of Building in the United States (Philadelphia, 1805), p. 55. An advertisement for the book made specific reference to the building as well as to the Philadelphia Library, the Schuylkill Permanent Bridge, and the Bank of Pennsylvania. American Daily Advertiser, Feb. 11, 1805.

9. R. A. Smith, Philadelphia as It Is in 1852: Being a Correct Guide (Philadelphia, 1852), p. 103. Smith introduced his subject as follows: "The banks of Philadelphia may with propriety be numbered among the public buildings; and, taken as a whole, are certainly more beautiful as specimens of architecture, than those of any other city in this country." (quoted from page 95) Journal of Philip Fidyman, 1810, I, p. 70, Haverford College Library.

10. Kenneth and Anna M. Roberts, eds. and transls., Moreau de St. Méry's American Journey [1793-1798] (Garden City, N.Y., 1947), p. 360.

11. Samuel Blodget, Jr., Economica: A Statistical Manual for the United States of America (Washington, 1810), p. 165.

12. B. Henry Latrobe, Anniversary Oration Pronounced Before the Society of Artists of the United States on the Eighth of May, 1811, Talbot Hamlin, Benjamin Henry Latrobe (New York, 1955), p. 499.

13. J. H. B. Latrobe, ed., The Journal of Latrobe (New York, 1905), pp. 83-84. Introducing the subject, he observes: "'Far fetched and dear bought,' as the proverb says, are epithets that human pride has made almost synonymous with excellent, valuable, and useful."

14. I. T. Frary, Thomas Jefferson Architect and Builder (Richmond, Va., 1931), p. 14. Frary points out the timeliness of this new-found interest in the classical mode: "Greece and Rome were to him [Jefferson] the logical and desirable sources of a national architecture for the new republic. Europe had drawn upon them since the dawn of the Renaissance, and the unearthing of Pompeii in the middle of the eighteenth century had intensified regard for the ancient cultures. Classical literature was read with devotion, officers of the recent Revolution had banded together as the Order of the Cincinnati; names such as Rome, Syracuse, Athens, and Attica were being used in christening new towns; in short, things classical were the vogue, and the cultured person of the time was, as a matter of course, on terms of intimacy with the classics." Ibid., p. 42.

15. Ibid., p. 47

16. Claypoole's American Daily Advertiser, Dec. 25, 1797.

17. James Mease, The Picture of Philadelphia. . . (Phila., 1811), p. 320.

18. Thompson Westcott, The Historic Mansions and Buildings of Philadelphia . . . (Phila., 1877), p. 431.

19. Joseph Jackson, Encyclopedia of Philadelphia (Harrisburg, Pa., 1931), I, p. 225.

20. Gazette of the United States, Aug. 14, 1795. This was, of course, the Federalist Administration journal. It could be expected through the partial graces of John Fenno, the publisher, to present a favorable view of anything having to do with the Bank.

21. Claypoole's American Daily Advertiser, Dec. 25, 1797.

22. Unless otherwise indicated data about Samuel Blodget, Jr., has been drawn from the article, written entirely from primary source materials, by Wells Bennett in Allen Johnson, ed., Dictionary of American Biography (New York, 1929), II, pp. 380-381. Before striking it rich in Boston, Blodget was in business in Exeter, N.H. He is also reported to have established a plant for manufacturing duck in nearby Haverhill, Mass. John C. Fitzpatrick, ed., The Diaries of George Washington 1748-1799 (Boston, 1925), IV, p. 47. Samuel Blodget, Sr. showed the same restless energy, acquiring forest tracts in New Hampshire and conducting a flourishing business in timber, potash, and furs. He spent years and a fortune getting a canal and locks constructed around the Amoskeag Falls of the Merrimac River. Immediately after the Revolution, he spent four years in Europe operating a device for raising sunken ships. Samuel Junior was with him at the time, and it is possible that he became acquainted with the Dublin Exchange at that time.

23. George Washington to David Stuart, April 8, 1792, John C. Fitzpatrick, ed., The Writings of George Washington . . . (Washington, 1939), XXXII, p. 19.

24. Johnson, op. cit., p. 380.

25. Ibid., p. 381.

26. Hamlin, op. cit., pp. 266, 275n.

27. Asa Earl Martin, "Lotteries in Pennsylvania Prior to 1833," Pennsylvania Magazine of History and Biography, XLVII (1923), p. 325.

28. George Washington to Thomas Johnson, Jan. 23, 1794, Fitzpatrick, op. cit., pp. 250-251. The President concluded, "Little confidence, I fear, is placed in Mr. Blodget and least where he is best known."

29. "Descendants of the Rev. William Smith, D.D.," Pennsylvania Magazine of History and Biography, IV (1880), p. 382.

30. Gazette of the United States, Aug. 14, 1795. This was John Fenno's Administration journal and could be expected to share all forms of privileged information from sources in or associated with the Treasury Department.

31. Westcott, op. cit., p. 431

32. James Gandon, Jr., The Life of James Gandon, Esq., M.R.I.A., F.R.S., Etc.; Architect . . .(Dublin, 1846, 1969), pp. 25-35.

33. Maurice Craig, Dublin 1660-1860 (London, 1952), p. 197.

34. Ibid., p. 195.

35. Ibid. Sir Banister Fletcher, A History of Architecture on the Comparative Method . . .(New York, 1945), p. 782.

36. " . . .Enjoyed an evening at Mrs. Samuel Blodgett's though the hostess as usual left her guests and went to the theatre." Miss Mary Ridgely to Mrs. Ann Ridgely, Jan. 3, 1798, Ridgely Family Letters, 1742-1899, vol. 1, Delaware State Archives. Blodget lived in the house at 169 Chestnut Street (old style), opposite the State House. Hogan's Philadelphia Directory for 1796.

37. The Economica was this country's first statistical and economic survey and illustrates Blodget's penchant for doing useful things. Samuel Blodget, Economica: A Statistical Manual for the United States of America (Washington, 1806), p. 165.

38. "A Brief Sketch of the Origins and Present State of the City of Philadelphia," in James Robinson, The Philadelphia Directory for 1806 . . ..

39. Gazette of the United States, Aug. 14, 1795.

40. As any Philadelphian actively interested in politics could have found by quick reference to the encyclopedia then being published in that city, Fasces were defined as ". . . in Roman antiquity, axes tied up together with rods, or staves, and borne before the Roman magistrates as a badge of their office and authority . . .

and were . . .[at first] the mark of sovereign dignity. In after-times they were borne before the consuls, but by turns only, each his day; they had each of them 12, borne by as many lictors. These fasces consisted of branches of elm; having in the middle a securis or axe, the head of which stood out beyond the rest. Publicola took the axe out of the fasces, . . . to remove from the people all occasion of terror. . . the magistrates by right had the axes carried before them, . . ." Dobson's Encyclopaedia (Philadelphia, 1790-1798), VII, p. 171. And the same source established that Lictors ". . .among the Romans, were officers. . ., who always attended the chief magistrates when they appeared in public. The duty of their office consisted in the three following particulars: 1. Submotio, or clearing the way for the magistrate they attended: this they did by word of mouth; or if there was occasion, by using the rods they always carried along with them. 2. Animadversio, or causing the people to pay the usual respect to the magistrate, as to alight, if on horseback or in a chariot; to rise up, uncover, make way, and the like. 3. Praeitio, or walking before the magistrates: They also preceded the triumphal car in public triumphs; and it was also part of their office to arrest criminals, and to be public executioners in beheading, &c. . .." Ibid., X, p. 29.

41. According to Dobson, the eagle ". . . in heraldry is accounted one of the most noble bearings in armoury; and . . . ought to be given to none but such as greatly excel in the virtues of generosity and courage, or for having done singular services to their sovereigns." Ibid., VI, p. 227.

42. It is easy today to regard the symbolism of past ages lightly. This tendency should be resisted by preservationists particularly those among them in a position to make or influence decisions respecting treatment of historic remains involving a complexity of alternatives. The case for special care where architectural symbolism may be a factor is convincingly stated in the following: "The problem of presenting a convincing exposition of symbolic intent that is seldom specifically stated is made difficult by the modern conviction that architecture, apart from its figurative sculptures, has always been created for utilitarian and aesthetic reasons . . . there has been a prevailing tendency to disregard the political issues involved in the symbolism and to minimize the spiritual connotations as mystic, vague, and nonessential to appreciation. This means that architectural symbolism will continue to seem artificial as long as the buildings that embodied

it are divorced from the history of ideas, and as long as it is assumed that the motivating factors of architectural creation were always, as they are today, only structural necessity, decorative desire, and a particular kind of taste.

"There is, unfortunately, no easy way of modifying this preconception regarding the expressive function of architecture and of setting buildings back into their original climate of ideas. Anyone who feels that art is necessarily blighted by 'kunsthistorische' methods should be warned that only by the machinery of scholarship can one begin to demonstrate the extent to which the controlling patrons of architecture, the State and the Church, succeeded in conveying ideas of heavenly powers, universal authority, and awe-inspiring grandeur by means of architectural forms that we today have come to believe, because of changing interests and repetition were never anything more than conventions of design." E. Baldwin Smith, Architectural Symbolism of Imperial Rome and the Middle Ages (Princeton, N. J., 1956), p. 3.

43. Gazette of the United States, Aug. 14, 1795.

44. This is the opinion of Wettereau, op. cit., p. 71. Much earlier consideration must have gone into the decision, however. Gazette of the United States, Jan. 2, 1794.

45. Deed Book IC-19 (Sheriff's Deed Book), pp. 454-458, Dept. of Records, City of Philadelphia.

46. Payment was made to her on Feb. 28, 1794. Wettereau, op.cit., p. 71.

47. This payment was made August 24, 1796. On October 4, 1796 payment of $41.00 was made by the directors for "drawing deed &c." Ibid. Deed Book D-59, pp. 348-349, Dept. of Records, City of Philadelphia.

48. "[Resolved] That the President be & is hereby authorized to make an offer of Five thousand Dollars for the purchase of the Lot of Ground adjoining the Bank Estate of about 38 feet on Whalebone Alley." Board Minutes, Directors of the Bank of the United States, March 14, 1800, "Papers Pertaining to U. S. Bank of America 1789-1848," Etting Coll., Historical Society of Pennsylvania, Deed Book D-72, pp. 348-350 (Nov. 29, 1798); Deed Book EF-1, pp. 560-563 (April 4, 1800).

49. "Mr. Dawes & Coates were app.t a Com. to make Sale of the Stable & wooden buildings on the Lot belonging to the Bank & to employ

workmen to build a brick Wall round the said Lot—" Board Minutes, Directors of the Bank of the United States, July 11, 1800, op. cit. "Expences paid by First Teller; 1801, July; Plaister of Paris for lot—.67; 6 loads of dirt for D[itto] 1.10; Cutting tree 1.50;. . . cutting grass in lot .50. . ." Bills and Receipts July 1801, ibid.

50. He later confessed "Here the amenity of the view usually detained me for a few minutes." John Stockton Littell, ed. Memoirs of His Own Time, With Reminiscences of the Men and Events of the Revolution by Alexander Graydon [Memoirs of a Life Passed Chiefly in Pennsylvania] (Phila., 1846), pp. 43-44.

51. An engraving of the garden with Clarke Hall in the background can be found in John F. Watson, Annals of Philadelphia (Phila., 1843), I, 374.

52. The Lt. Governor of the colonial period in the Province of Pennsylvania was the de facto governor, as that title always rested with the Proprietor in this proprietary colony. Thus Clarke Hall at the time was the governor's mansion. The James Logan here referred to had been William Penn's secretary and had chosen to remain with the colony. A noted classical scholar, he lived at Stenton, his fine country home still standing in North Philadelphia, but steered clear of public life for the most part. Yet his influence was second to none. Deed Book F-4, pp. 349-351, Dept. of Records, City of Philadelphia. Thompson Westcott, The Historic Mansions and Buildings of Philadelphia . . . (Phila., 1877), pp. 500-501.

53. Deed Book G-6 (Aug. 30, 1743), pp. 541-542; Deed Book B-37 (Feb. 5, 1745), pp. 44-45. Westcott states about the Pembertons: "By force of intellect, activity of mind, strong predisposition to take part in public affairs, integrity, and intelligence, the Pemberton family for nearly a hundred years was the most prominent in Pennsylvania." op. cit., p. 494. Israel Pemberton, owing to his prominence in politics and his leadership in the Society of Friends, was known as the "King of Quakers." For an explanation of the intricate processes by which the property changed hands back and forth, see Westcott, op. cit., pp. 500-503.

54. On the eve of the Federal Government's arrival in Philadelphia in 1790, Assistant Secretary of the Treasury, Tench Coxe, wrote the following to the Treasurer of the United States: "I engaged the two houses, belonging to Mr. Pemberton's estate, some days ago to the Secretary of the Treasury for the public use, but it is supposed that the offices now kept . . . will fill the whole

except one Room. That I presume may be had for the use of your office . . .. The whole of the third Street house you will therefore see cannot be spared." Tench Coxe to Samuel Meredith, Aug. 26, 1790, Independence National Historical Park Museum Collection. Philadelphia City Directories 1791-1800.

55. Charles J. Cohen, The Origin of Carpenters' Hall Philadelphia with Incidents of the Neighborhood (Phila., 1917), p. 12.

56. "Papers Relative to Hudson's Tanyard next to the Bank 10 Nov. 1817 & 19 Jan. 1824," Unidentified Accounts, Girard Papers, A.P.S. Microfilm II, Reel 407, American Philosophical Society. Graydon described the Dock as ". . . a filthy, uncovered sewer, bordered on either side by shabby stables and tan-yards." Littell, op. cit., p. 43.

57. A. R. Beck, op. cit., p. 355.

58. For further discussion of the research problem represented by the Bank and bank building see Historic Structures Report Park I on First Bank of the United States, Chapt. II, Sect. 4, pp. 1-7.

59. Appointment of Thomas Dunlap to receive the papers put him in charge of the "remaining funds and the books and papers of the trust," with no reference to bank papers as such. ". . . all the books papers and documents whatsoever of the said Trust," without direct reference to bank papers. Final Decree, Morewood et al. v Sims et al, No. 103, April 1850, Circuit Court, Eastern District of Pa., R. G. 21, National Archives.

60. Trust Vouchers No. 1-75, p. 5, Girard Papers, Girard College.

61. Dunlap's American Daily Advertiser, May 13, 1793. Pennsylvania Gazette, May 15, 1793.

62. Dunlap's American Daily Advertiser, July 8, 1793.

63. Gazette of the United States, June 14, 1794.

64. Minutes of the Board of Directors of the U. S. Bank, Jan. 6, 1794, Etting Coll., Historical Society of Pennsylvania.

65. Ibid., Nov. 24, 1795.

66. Minutes of the Committee of Seven, June 15, 1796 Carpenters' Company Library.

67. Tax Records, South Ward, 1795, 1796, and 1797, Archives, City of Philadelphia.

68. Gazette of the United States, Aug. 14, 1795.

69. Round ledger containing quarterly bank statements in Wolcott Papers, Box 285, Connecticut Historical Society.

70. Wettereau, op. cit., p. 73.

71. Claypoole's American Daily Advertiser, July 6, 1797.

72. Gazette of the United States, Dec. 23, 1797.

73. The Aurora, Jan 2, 1798.

74. Blodget, op. cit., p. 165.

75. Mease, op. cit., pp. 320-321.

76. Gazette of the United States, Aug. 14, 1795.

77. Moore & Jones, The Traveller's Directory or A Pocket Companion (Phila., 1804), p. 13.

78. Quoted in Josiah Granville Leach, The History of the Girard National Bank of Philadelphia (Phila., 1902) p. 71.

79. Harry Emerson Wildes, Lonely Midas, The Story of Stephen Girard (New York, 1943), pp. 209-211.

80. By memorandum of May 9, 1812 the trustees agreed to sell the ". . . Banking House . . . the Ground belonging to it at the Sides and in the rear, and the House and lot now occupied by their Cashier, George Simpson, together with . . . their respective appurtenances, and the Iron Chests, Scales, Furniture, and apparatus . . . for the Sum of One Hundred and Fifteen Thousand Dollars, . . ." Quoted in Wettereau, op. cit., p. 74. Deed Book IC-19, pp. 454-458, Department of Records, City of Philadelphia.

81. Bills and Receipts, 1812, 1813, 1819, 1820, Stephen Girard Papers, American Philosophical Society Microfilm II, Reel 311.

82. Stephen Simpson, Biography of Stephen Girard, . . . (Phila., 1832), pp. 172-173. One hundred or more bills for this work are to be found in the Girard Papers. They include such names as the well known mason, Thomas Leiper, Peter Monet, the iron contractor, and others. They have been copied in their entirety for the Park research note card file.

83. Payments for "work at arbour" James Clark, "cutting grape vines at Bank" to Daniel Maupuy, and "Oiling & Painting Arbour back of Mr. Roberts [Cashier of the Bank after George Simpson's death in 1822]" to George Swope. Journal, Dec. 15, 1825, Bills & Receipts 1826, 1827, Girard Papers, Girard College. Girard introduced the artichoke into America.

84. Bills and Receipts 1827, 1828, Receipt Book 1827, Cash Book 1827, Bills and Exchange 1828, Girard Papers, Girard College.

85. Memorandum Book, June 1825-Aug. 1827, Cash Book 1827, Bills & Exchange 1828, Girard Papers, Girard College.

86. Day Book 1826-1832, Bills & Receipts 1831, Accounts paid by Estate, Girard Papers, Girard College.

87. "Papers relative to Hudson's tanyard, next to the bank 10 Nov. 1817 and 19 Jan. 1824," Miscellany 1820-1834, Stephen Girard Papers, American Philosophical Society Micorfilm, II, Reel 407.

88. Public Ledger, Nov. 27, 1854.

89. Leach, op. cit ., pp. 62-66.

90. Public Ledger, May 16, 19; June 1, 1846.

91. Wettereau, op. cit., p. 70.

92. Ibid.

93. A. O. Eliason, The Rise of Commercial Banking Institutions in the United States (Minneapolis, 1901), p. 19.

94. Joseph Stancliffe Davis, Essays in the Earlier History of American Corporations (Cambridge, Mass., 1917), II, p. 35.

95. Ibid.

96. Ibid., I, p. 26.

97. Rudolph Ackerman, publ., Microcosm of London (London, 1808, 1904), I, p. 48.

98. Ibid., pp. 48-49.

99. J. Van Fenstermaker, The Development of American Commercial Banking: 1782-1837 (Kent, Ohio, 1965), p. xiii.

100. Blodget, op. cit., pp. 31-32.

101. Alexander Hamilton to Robert Morris, April 30, 1781, Harold C. Syrett, ed., The Papers of Alexander Hamilton (New York, 1961), II, p. 618.

102. Bray Hammond, Banks and Politics in America (Princeton, N. J., 1957), pp. 128-129.

103. Syrett, op. cit., VII, p. 237.

104. Ibid., p. 240n. This appeared in The American Museum, II (July 1787), pp. 22-23.

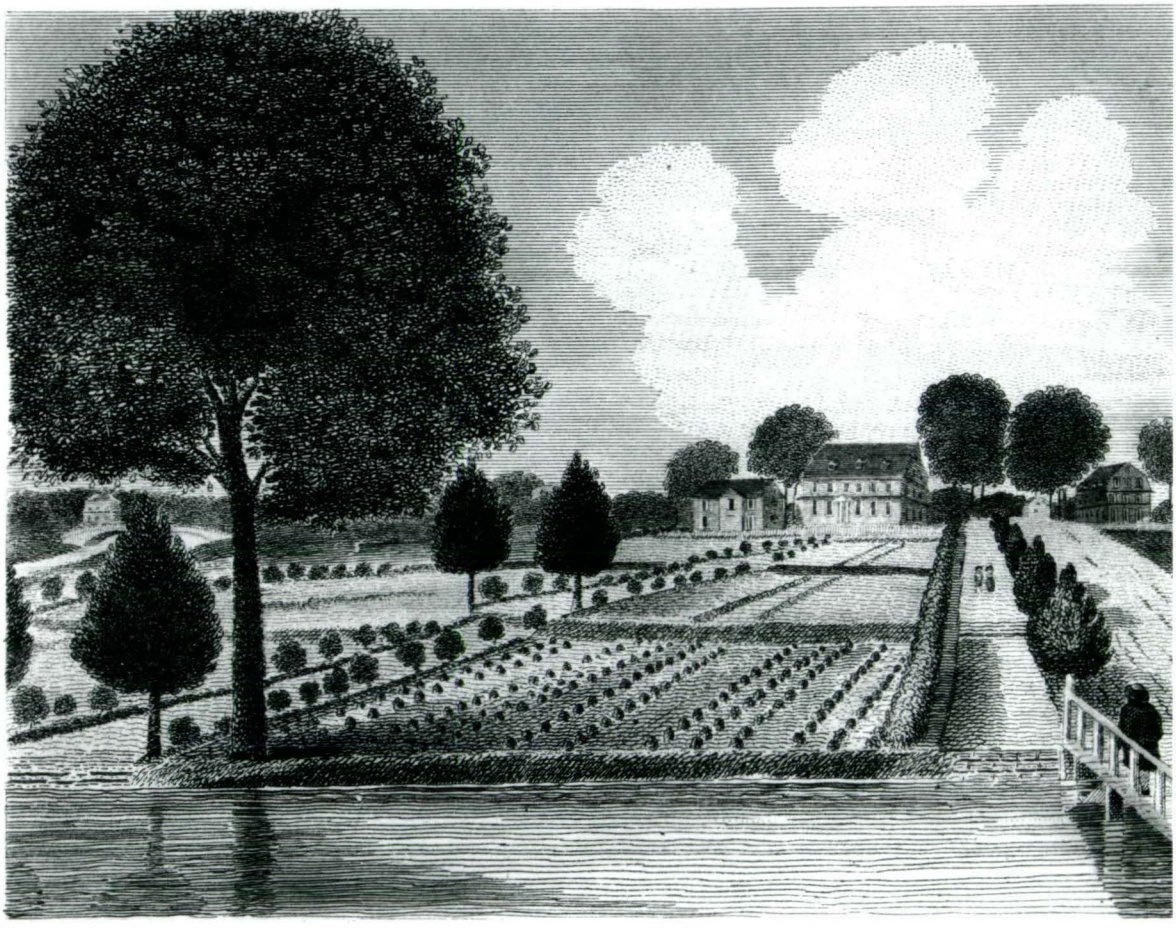
105. Syrett, op. cit., p. 242n.

106. Boston Gazette, Aug. 17, 1789.

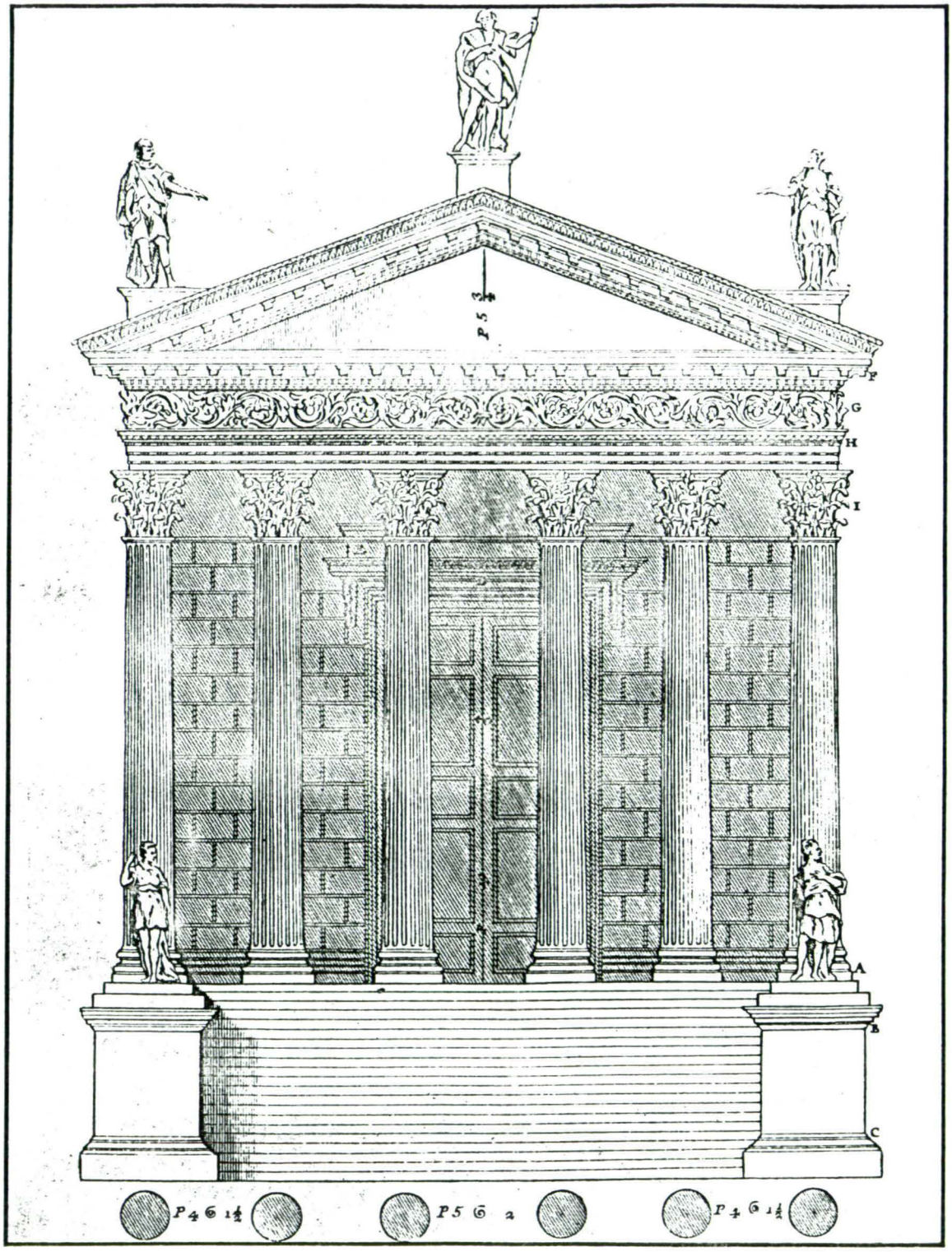
107. Syrett, op. cit., VI, p. 108.

108. Hammond, op. cit., p. 125.

109. James O. Wettereau,"New Light on the First Bank of the United States," Pennsylvania Magazine of History and Biography, LXI (1939), p. 263. See also James O. Wettereau, "The Branches of the First Bank of the United States," The Journal of Economic History, II (1942).



The Pemberton Gardens with Clarke Hall in center background as drawn from memory for John F. Watson's Annals of Philadelphia. Site of First Bank building was in area of upper terrace.


P 5 3
F
G
H
I
A
B
C
P 4 6 1½
P 5 6 2
P 4 6 1½

Prototype of the First Bank building? The Maison Carree, Nimes, France. Drawing from Talbot Hamlin's, Thomas Jefferson, Architect.




SAFE

The Royal Exchange, Dublin Ireland, now in use as City Hall. Thomas Cooley, architect, 1769. From Maurice Craig's Dublin 1660-1860. Other views of this prototype are in Pool and Cash's Views . . . of Dublin, 1780; Malton's Picturesque . . . View . . . of Dublin, 1792-9; and Grattan's Dublin, C. I. Smith's 1829 engraving is reproduced in Dublin Delineated, 1837.

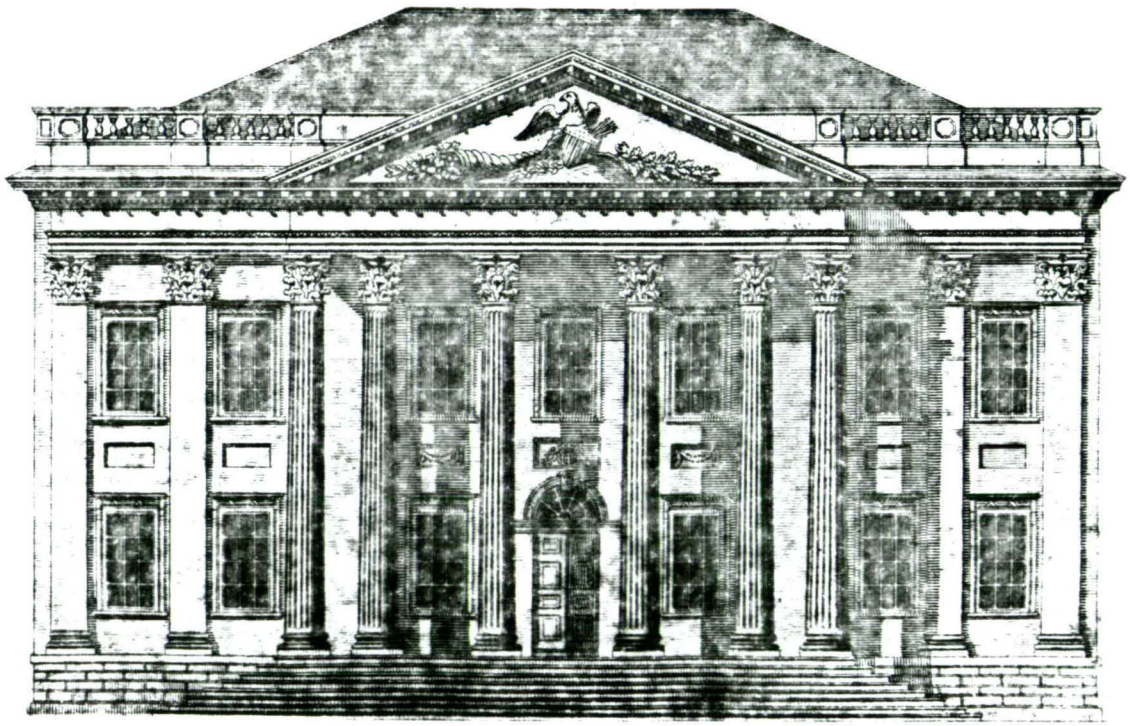
The Mansion House, London. George Dance, Sr., architect, 1739. From Banister Fletcher's A History of Architecture.





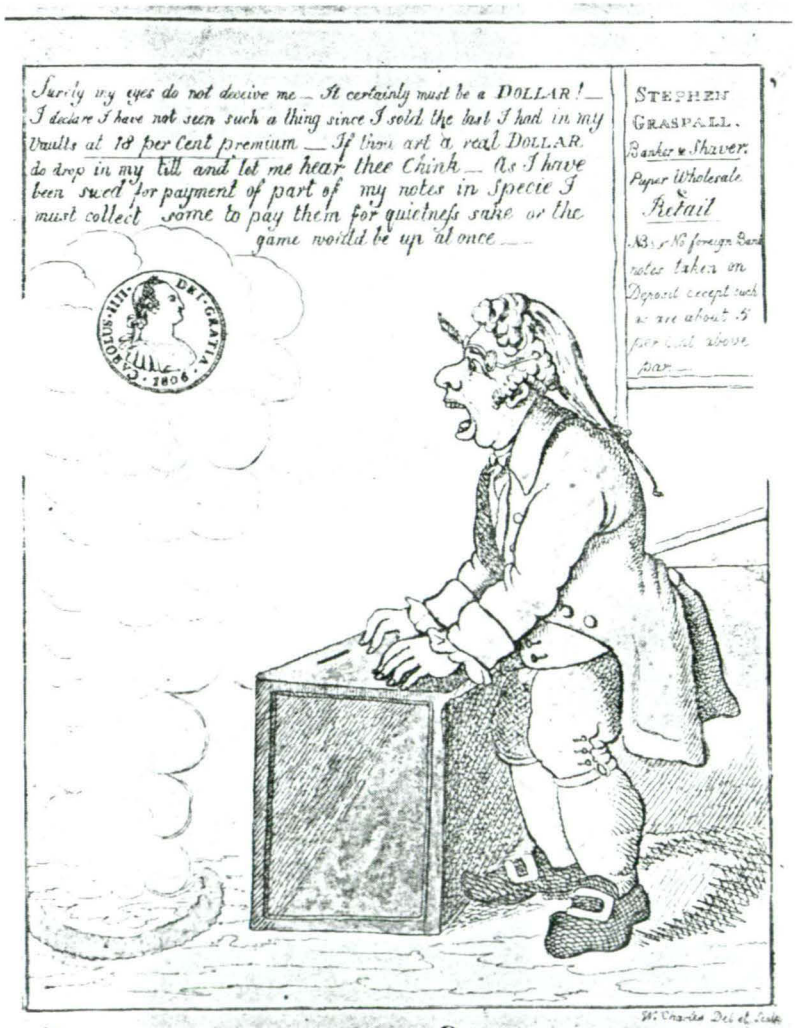
William Birch view of First Bank building from north, 1798. Currier shops to south of bank meant little to early directors.

Stephen Girard's Bank in 1831 engraving shows houses to left erected by Girard to replace objectionable structures. Atmosphere of Girard's day prevails.



Scaled and detailed plate of First Bank building prepared for Owen Biddle's Young Carpenter's Assistant, 1805.





THE GHOST of a DOLLAR or the BANKERS SURPRIZE

A Republican's Dream come true! "Recharter of U. S. Bank Refused," 1811 lithograph.

Stephen Girard in caricature, Engraving by William Charles, Scotsman who came to Philadelphia in 1816. This depiction of Girard as a miser was very popular in its day.

APPENDIX A

FINAL VERSION OF THE SECOND REPORT ON THE FURTHER PROVISION NECESSARY FOR ESTABLISHING PUBLIC CREDIT (REPORT ON A NATIONAL BANK)--[from Harold C. Syrett, ed. The Papers of Alexander Hamilton (New York, 1961-), VII, pp. 305-342.]

Treasury Department
December 13th, 1790
[Communicated on December 14, 1790]

[To the Speaker of the House of Representatives]
In obedience to the order of the House of Representatives of the ninth day of August last, requiring the Secretary of the Treasury to prepare and report on this day such further provision as may, in his opinion, be necessary for establishing the public Credit
The said Secretary further respectfully reports

That from a conviction (as suggested in his report No. I herewith presented) That a National Bank is an Institution of primary importance to the prosperous administration of the Finances, and would be of the greatest utility in the operations connected with the support of the Public Credit, his attention has been drawn to devising the plan of such an institution, upon a scale, which will intitle it to the confidence, and be likely to render it equal to the exigencies of the Public.

Previously to entering upon the detail of this plan, he entreats the indulgence of the House, towards some preliminary reflections naturally arising out of the subject, which he hopes will be deemed, neither useless, nor out of place. Public opinion being the ultimate arbiter of every measure of Government, it can scarcely appear improper, in deference to that, to accompany the origination of any new proposition with explanations, which the superior information of those, to whom it is immediately addressed, would render superfluous.

It is a fact well understood, that public Banks have found admission and patronage among the principal and most enlightened commercial nations. They have successively obtained in Italy, Germany, Holland, England and France, as well as in the United States. And it is a circumstance, which cannot but have considerable weight, in a candid estimate of their tendency, that after an experience of centuries, there exists not a question about their util(ity) in the countries, in which they have been so long established. Theorists and men of business unite in the acknowledgment of it.

Trade and industry, wherever they have been tried, have been indebted to them for important aid. And Government has been repeatedly under the greatest obligations to them, in dangerous and distressing emergencies. That of the United States, as well in some of the most critical conjunctures of the late war, as since the peace, has received assistance from those established among us, with which it could not have dispensed.

With this two fold evidence before us, it might be expected, that there would be a perfect union of opinions in their favour. Yet doubts have been entertained; jealousies and prejudices have circulated; and though the experiment is every day dissipating them, within the spheres in which effects are best known; yet there are still persons by whom they have not been intirely renounced. To give a full and accurate view of the subject would be to make a Treatise of a report; but there are certain aspects in which it may be cursorily exhibited, which may perhaps conduce to a just impression of its merits. These will involve a comparison of the advantages, with the disadvantages, real or supposed, of such institutions.

The following are among the principal advantages of a Bank.

First. The augmentation of the active or productive capital of a country. Gold and Silver, when they are employed merely as the instruments of exchange and alienation, have been not improperly denominated dead Stock; but when deposited in Banks, to become the basis of a paper circulation, which takes their character and place, as the signs or representatives of value, they then acquire life, or, in other words, an active and productive quality. This idea, which appears rather subtil and abstract, in a general form, may be made obvious and palpable, by entering into a few particulars. It is evident, for instance, that the money, which a merchant keeps in his chest, waiting for a favourable opportunity to employ it, produces nothing 'till that opportunity arrives. But if instead of locking it up in this manner, he either deposits it in a Bank, or invests it in the Stock of a Bank, it yields a profit, during the interval; in which he partakes, or not, according to the choice he may have made of being a depositor or a proprietor; and when any advantageous speculation offers, in order to be able to embrace it, he has only to withdraw his money, if a depositor, or if a proprietor to obtain a loan from the Bank, or to dispose of his Stock; an alternative seldom or never attended with difficulty, when the affairs of the institution are in a prosperous train. His money thus deposited or invested, is a fund, upon which himself and others can borrow to a much larger amount. It is a well established fact, that Banks in good credit can circulate a far greater sum than the actual quantum of their capital in Gold & Silver. The extent of the

possible excess seems indeterminate; though it has been conjecturally stated at the proportions of two and three to one. This faculty is produced in various ways. First. A great proportion of the notes, which are issued and pass current as Cash, are indefinitely suspended in circulation, from the confidence which each holder has, that he can at any moment turn them into gold and silver. Secondly, Every loan, which a Bank makes is, in its first shape, a credit given to the borrower on its books, the amount of which it stands ready to pay, either in its own notes, or in gold or silver, at his option. But, in a great number of cases, no actual payment is made in either. The Borrower frequently, by a check or order, transfers his credit to some other person, to whom he has a payment to make; who, in his turn, is as often content with a similar credit, because he is satisfied, that he can, whenever he pleases, either convert it into cash, or pass it to some other hand, as an equivalent for it. And in this manner the credit keeps circulating, performing in every stage the office of money, till it is extinguished by a discount with some person, who has a payment to make to the Bank, to an equal or greater amount. Thus large sums are lent and paid, frequently through a variety of hands, without the intervention of a single piece of coin. Thirdly, There is always a large quantity of gold and silver in the repositories of the Bank, besides its own Stock, which is placed there, with a view partly to its safe keeping and partly to the accommodation of an institution, which is itself a source of general accommodation. These deposits are of immense consequence in the operations of a Bank. Though liable to be redrawn at any moment, experience proves, that the money so much oftener changes proprietors than place, and that what is drawn out is generally so speedily replaced, as to authorise the counting upon the sums deposited, as an effective fund; which, concurring with the Stock of the Bank, enables it to extend its loans, and to answer all the demands for coin, whether in consequence of those loans, or arising from the occasional return of its notes.

These different circumstances explain the manner, in which the ability of a bank to circulate a greater sum, than its actual capital in coin, is acquired. This however, must be gradual; and must be preceded by a firm establishment of confidence; a confidence which may be bestowed on the most rational grounds; since the excess in question will always be bottomed on good security of one kind or another. This, every well conducted Bank carefully requires, before it will consent to advance either its money or its credit; and where there is an auxiliary capital (as will be the case in the plan hereafter submitted) which, together with the capital in coin, define the boundary, that shall not be exceeded by the engagements of the Bank, the security may, consistently with all the maxims of a reasonable circumspection be regarded as complete.

The same circumstances illustrate the truth of the position, that it is one of the properties of Banks to increase the active capital of a country. This, in other words is the sum of them. The money of one individual, while he is waiting for an opportunity to employ it, by being either deposited in the Bank for safe keeping, or invested in its Stock, is in a condition to administer to the wants of others, without being put out of his own reach, when occasion presents. This yields an extra profit, arising from what is paid for the use of his money by others, when he could not himself make use of it; and keeps the money itself in a state of incessant activity. In the almost infinite vicissitudes and competitions of mercantile enterprise, there never can be danger of an intermission of demand, or that the money will remain for a moment idle in the vaults of the Bank. This additional employment given to money, and the faculty of a bank to lend and circulate a greater sum than the amount of its stock in coin are to all the purposes of trade and industry an absolute increase of capital. Purchases and undertakings, in general, can be carried on by any given sum of bank paper or credit, as effectually as by an equal sum of gold and silver. And thus by contributing to enlarge the mass of industrious and commercial enterprise, banks become nurseries of national wealth; a consequence, as satisfactorily verified by experience, as it is clearly deducible in theory.

Secondly. Greater facility to the Government in obtaining pecuniary aids, especially in sudden emergencies. This is another and an undisputed advantage of public banks: one, which as already remarked, has been realised in signal instances, among ourselves. The reason is obvious: The capitals of a great number of individuals are, by this operation, collected to a point, and placed under one direction. The mass, formed by this union, is in a certain sense magnified by the credit attached to it: And while this mass is always ready, and can at once be put in motion, in aid of the Government, the interest of the bank to afford that aid, independent of regard to the public safety and welfare, is a sure pledge for its disposition to go as far in its compliances, as can in prudence be desired. There is in the nature of things, as will be more particularly noticed in another place, an intimate connection of interest between the government and the Bank of a Nation.

Thirdly. The facilitating of the payment of taxes. This advantage is produced in two ways. Those who are in a situation to have access to the Bank can have the assistance of loans to answer with punctuality the public calls upon them. This accommodation has been sensibly felt in the payment of the duties heretofore laid, by those who reside where

establishments of this nature exist. This however, though an extensive, is not an universal benefit. The other way, in which the effect here contemplated is produced, and in which the benefit is general, is the encreasing of the quantity of circulating medium and the quickening of circulation. The manner in which the first happens has already been traced. The last may require some illustration. When payments are to be made between different places, having an intercourse of business with each other, if there happen to be no private bills, at market, and there are no Bank notes, which have a currency in both, the consequence is, that coin must be remitted. This is attended with trouble, delay, expence and risk. If on the contrary, there are bank notes current in both places, the transmission of these by the post, or any other speedy, or convenient conveyance answers the purpose; and these again, in the alternations of demand, are frequently returned, very soon after, to the place from whence they were first sent: Whence the transportation and retransportation of the metals are obviated; and a more convenient and more expeditious medium of payment is substituted. Nor is this all. The metals, instead of being suspended from their usual functions, during this process of vibration from palce to place, continue in activity, and administer still to the ordinary circulation; which of course is prevented from suffering either diminuation or stagnation. These circumstances are additional causes of what, in a practical sense, or to the purposes of business, may be called greater plenty of money. And it is evident, that whatever enhances the quantity of circulating money adds to the ease, with which every industrious member of the community may acquire that portion of it, of which he stands in need; and enables him the better to pay his taxes, as well as to supply his other wants. Even where the circulation of the bank paper is not general, it must still have the same effect, though in a less degree. For whatever furnishes additional supplies to the channels of circulation, in one quarter, naturally contributes to keep the streams fuller elsewhere. This last view of the subject serves both to illustrate the position, that Banks tend to facilitate the payment of taxes; and to exemplify their utility to business of every kind, in which money is an agent.

It would be to intrude too much on the patience of the house, to prolong the details of the advantages of Banks; especially as all those, which might still be particularized are readily to be inferred as consequences from those, which have been enumerated. Their disadvantages, real or supposed, are now to be reviewed. The most serious of the charges which have been brought against them are--

That they serve to increase usury:

That they tend to prevent other kinds of lending:

That they furnish temptations to overtrading:

That they afford aid to ignorant adventurers who disturb the natural and beneficial course of trade:

That they give to bankrupt and fraudulent traders a fictitious credit, which enables them to maintain false appearances and to extend their impositions: And lastly

That they have a tendency to banish gold and silver from the country.

There is great reason to believe, that on a close and candid survey, it will be discovered, that these charges are either destitute of foundation; or that, as far as the evils, they suggest, have been found to exist, they have proceeded from other, or partial, or temporary causes, are not inherent in the nature and permanent tendency of such institutions; or are more than counterbalanced by opposite advantages. This survey shall be had, in the order in which the charges have been stated.

The first of them is, that Banks serve to increase usury.

It is a truth, which ought not to be denied, that the method of conducting business, which is essential to bank operations, has among us, in particular instances, given occasion to usurious transactions. The punctuality, in payments, which they necessarily exact has sometimes obliged those, who have adventured beyond both their capital and their credit to procure money, at any price, and consequently to resort to usurers for aid.

But experience and practice gradually bring a cure to this evil. A general habit of punctuality among traders is the natural consequence of the necessity of observing it with the Bank; a circumstance which itself more than compensates for any occasional ill, which may have sprung from that necessity, in the particular, under consideration. As far therefore as Traders depend on each other for pecuniary supplies, they can calculate their expectations with greater certainty; and are in proportionably less danger of disappointments, which might compel them to have recourse to so pernicious an expedient, as that of borrowing at usury; the mischiefs of which, after a few examples, naturally inspire great care, in all but men of desperate circumstances, to avoid the possibility of being subjected to them. One, and not the lease of the evils incident to the use of that expedient, if the fact be known or even strongly suspected, is loss of credit with the bank itself.

The directors of a bank too, though in order to extend its business and its popularity, in the infancy of an institution, they may be tempted to go further in accommodations, than the strict rules of prudence will warrant, grow more circumspect of course, as its affairs become better established, and as the evils of too great facility are

experimentally demonstrated. They become more attentive to the situation and conduct of those, with whom they deal; they observe more narrowly their operations and pursuits; they œconomise the credit, they give to those of suspicious solidity; they refuse it to those whose career is more manifestly hazardous. In a word, in the course of practice, from the very nature of things, the interest will make it the policy of a Bank, to succour the wary and industrious; to discredit the rash and unthrifty; to discountenance both usurious lenders and usurious borrowers.

There is a leading view, in which the tendency of banks will be seen to be, to abrige rather than to promote usury. This relates to their property of increasing the quantity and quickening the circulation of money. If it be evident, that usury will prevail or diminish, according to the proportion which the demand for borrowing bears to the quantity of money at market to be lent; whatever has the property just mentioned, whether it be in the shape of paper or of coin, by contributing to render the supply more equal to the demand, must tend to counteract the progress of usury.

But bank-lending, it is pretended, is an impediment to other kinds of lending; which, by confining the resource of borrowing to a particular class, leaves the rest of the community more destitute, and therefore more exposed to the extortions of usurers. As the profits of bank stock exceed the legal rate or interest, the possessors of money, it is argued, prefer investing it in that article to lending it at this rate; to which there are the additional motives of a more prompt command of the capital, and of more frequent and exact returns, without trouble or perplexity in the collection. This constitutes the second charge, which has been enumerated.

The fact on which this charge rests is not to be admitted without several qualifications; particularly in reference to the state of things in this country. First. The great bulk of the Stock of a bank will consist of the funds of men in trade, among ourselves, and monied foreigners; the former of whom could not spare their capitals out of their reach, to be invested in loans, for long periods, on mortgages, or personal security; and the latter of whom would not be willing to be subjected to the casualties, delays and embarassments of such a disposition of their money in a distant country. Secondly. There will always be a considerable proportion of those, who are properly the money lenders of a Country, who from that spirit of caution, which usually characterises this description of men will incline rather to vest their funds in mortgages on real estate, than in the Stock of a Bank, which they are apt to consider as a more precarious security.

These considerations serve in a material degree to narrow the foundation of the objection, as to the point of fact. But there is a more satisfactory answer to it. The effect supposed, as far as it has existence, is temporary. The reverse of it takes place, in the general and permanent operation of the thing.

The capital of every public bank will of course be restricted within a certain defined limit. It is the province of legislative prudence so to adjust this limit, that while it will not be too contracted for the demand, which the course of business may create, and for the security, which the public ought to have for the solidity of the paper, which may be issued by the bank, it will still be within the compass of the pecuniary resources of the community; so that there may be an easy practicability of completing the subscriptions to it. When this is once done, the supposed effect of necessity ceases. There is then no longer room for the investment of any additional capital. Stock may indeed change hands by one person selling and another buying; but the money, which the buyer takes out of the common mass to purchase the stock, the seller receives, and restores to it. Hence the future surplusses, which may accumulate, must take their natural course, and lending at interest must go on, as if there were no such institution.

It must indeed flow in a more copious stream. The Bank furnishes an extraordinary supply for borrowers, within its immediate sphere. A larger supply consequently remains for borrowers elsewhere. In proportion, as the circulation of the Bank is extended, there is an augmentation of the aggregate mass of money, for answering the aggregate mass of demand. Hence a greater facility in obtaining it for every purpose.

It ought not to escape without a remark, that as far as the citizens of other countries become adventurers in the Bank, there is a positive increase of the gold and silver of the Country. It is true, that from this a half yearly rent is drawn back, accruing from the dividends upon the Stock. But as this rent arises from the employment of the capital, by our own citizens, it is probable, that it is more than replaced by the profits of that employment. It is also likely, that a part of it is, in the course of trade, converted into the products of our Country: And it may even prove an incentive, in some cases, to emigration to a country, in which the character of citizen is as easy to be acquired, as it is estimable and important. This view of the subject furnishes an answer to an objection, which has been deduced from the circumstance here taken notice of, namely the income resulting to foreigners from the part of the Stock, owned by them, which has been represented as tending to drain the country of its specie. In this objection, the original investment of the capital, and the constant use of it afterwards seem both to have been overlooked.

That Banks furnish temptations to overtrading is the third of the enumerated objections. This must mean, that by affording additional aids to mercantile enterprise, they induce the merchant sometimes to adventure beyond the prudent or salutary point. But the very statement of the thing shows, that the subject of the charge is an occasional ill, incident to a general good. Credit of every kind (as a species of which only can bank lending have the effect supposed) must be in different degrees, chargeable with the same inconvenience. It is even applicable to gold and silver, when they abound in circulation. But would it be wise on this account to decry the precious metals, to root out credit; or to proscribe the means of that enterprise, which is the main spring of trade and a principal source of national wealth, because it now and then runs into excesses, of which overtrading is one?

If the abuses of a beneficial thing are to determine its condemnation, there is scarcely a source of public prosperity, which will not speedily be closed. In every case, the evil is to be compared with the good; and in the present case such a comparison will issue in this, that the new and increased energies derived to commercial enterprise, from the aid of banks, are a source of general profit and advantage; which greatly outweigh the partial ills of the overtrading of a few individuals, at particular times, or of numbers in particular conjunctures.

The fourth and fifth charges may be considered together. These relate to the aid, which is sometimes afforded by banks to unskilful adventurers and fraudulent traders. These charges also have some degree of foundation; though far less than has been pretended, and they add to the instances of partial ills, connected with more extensive and overbalancing benefits.

The practice of giving fictitious credit to improper persons is one of those evils, which experience guided by interest speedily corrects. The bank itself is in so much jeopardy of being a suffered by it, that it has the strongest of all inducements to be on its guard. It may not only be injured immediately by the delinquencies of the persons, to whom such credit is given; but eventually, by the incapacities of others, whom their impositions, or failures may have ruined.

Nor is there much danger of a bank's being betrayed into this error, from want of information. The Directors, themselves, being, for the most part, selected from the class of Traders are to be expected to possess individually an accurate knowledge of the characters and situations of those, who come within that description. And they have, in addition to this, the course of dealing of the persons themselves with the bank to assist their judgment, which is in most cases a good index of the state, in which those persons are. The artifices and shifts, which those in desperate or declining circumstances are obliged to employ, to keep up the countenance, which the rules of the Bank require, and the train of their connections, are so many prognostics,

not difficult to be interpreted, of the fate which awaits them. Hence it not unfrequently happens, that Banks are the first to discover the unsoundness of such characters, and, by withholding credit, to announce to the public, that they are not intitled to it.

If banks, in spite of every precaution, are sometimes betrayed into giving a false credit to the persons described; they more frequently enable honest and industrious men, of small or perhaps of no capital to undertake and prosecute business, with advantage to themselves and to the community; and assist merchants of both capital and credit, who meet with fortuitous and unforeseen shocks, which might without such helps prove fatal to them and to others; to make head against their misfortunes, and finally to retrieve their affairs: Circumstances, which form no inconsiderable encomium on the utility of Banks.

But the last and heaviest charge is still to be examined. This is, that Banks tend to banish the gold and silver of the Country.

The force of this objection rests upon their being an engine of paper credit, which by furnishing a substitute for the metals, is supposed to promote their exportation. It is an objection, which if it has any foundation, lies not against Banks, peculiarly, but against every species of paper credit.

The most common answer given to it is, that the thing supposed is of little, or no consequence; that it is immaterial what serves the purpose of money, whether paper or gold and silver; that the effect of both upon industry is the same; and that the intrinsic wealth of a nation is to be measured, not by the abundance of the precious metals, contained in it, but by the quantity of the productions of its labor and industry.

This answer is not destitute of solidity, though not intirely satisfactory. It is certain, that the vivification of industry, by a full circulation, with the aid of a proper and well regulated paper credit, may more than compensate for the loss of a part of the gold and silver of a Nation; if the consequence of avoiding that loss should be a scanty or defective circulation.

But the positive and permanent increase or decrease of the precious metals, in a Country, can hardly ever be a matter of indifference. As the commodity taken in lieu of every other, it is a species of the most effective wealth; and as the money of the world, it is of great concern to the state, that it possess a sufficiency of it to face any demands, which the protection of its external interests may create.

The objection seems to admit of another and a more conclusive answer, which controverts the fact itself. A nation, that has no mines of its own, must derive the precious metals from others; generally speaking, in exchange for the products of its labor and industry. The quantity, it will possess, will therefore, in the ordinary course of things, be regulated by the favourable, or unfavourable balance of its trade; that

is, by the proportion between its abilities to supply foreigners, and its wants of them; between the amount of its exportations and that of its importations. Hence the state of its agriculture and manufactures, the quantity and quality of its labor and industry must, in the main, influence and determine the increase or decrease of its gold and silver.

If this be true, the inference seems to be, that well constituted Banks favour the increase of the precious metals. It has been shewn, that they augment in different ways, the active capital of the country. This, it is, which generates employment; which animates and expands labor and industry. Every addition, which is made to it, by contributing to put in motion a greater quantity of both, tends to create a greater quantity of the products of both: And, by furnishing more materials for exportation, conduces to a favourable balance of trade and consequently to the introduction and increase of gold and silver.

This conclusion appears to be drawn from solid premises. There are however objections to be made to it.

It may be said, that as Bank paper affords a substitute for specie, it serves to counteract that rigorous necessity for the metals, as a medium of circulation, which in the case of a wrong balance, might restrain in some degree their exportation; and it may be added, that from the same cause, in the same case, it would regard those œconomical and parsimonious reforms, in the manner of living, which the scarcity of money is calculated to produce, and which might be necessary to rectify such wrong balance.

There is perhaps some truth in both these observations; but they appear to be of a nature rather to form exceptions to the generality of the conclusion, than to overthrow it. The state of things, in which the absolute exigencies of circulation can be supposed to resist with any effect the urgent demands for specie, which a wrong balance of trade may occasion, presents an extreme case. And a situation in which a too expensive manner of living of a community, compared with its means, can stand in need of a corrective, from distress or necessity, is one, which perhaps rarely results, but from extraordinary and adventitious causes: such for example, as a national revolution, which unsettles all the established habits of a people, and inflames the appetite for extravagance, by the illusions of an ideal wealth, engendered by the continual multiplication of a depreciating currency or some similar cause. There is good reason to believe, that where the laws are wise and well executed, and the inviolability of property and contracts maintained, the œconomy of a people will, in the general course of things, correspond with its means.

The support of industry is probably in every case, of more consequence towards correcting a wrong balance of trade, than any practicable retrenchments, in the expences of families, or individuals: And the stagnation of it would be likely to have more effect, in prolonging, than any such savings in shortening its continuance. That stagnation is a natural consequence of an inadequate medium, which, without the aid of Bank circulation, would in the cases supposed, be severely felt.

It also deserves notice, that as the circulation is always in a compound ratio to the fund, upon which it depends, and to the demand for it, and as that fund is itself affected by the exportation of the metals, there is no danger of its being overstocked, as in the case of paper issued at the pleasure of the Government; or of its preventing the consequences of any unfavourable balance from being sufficiently felt, to produce the reforms alluded to, as far as circumstances may require and admit.

Nothing can be more fallible, than the comparisons, which have been made between different countries, to illustrate the truth of the position under consideration. The comparative quantity of gold and silver, in different countries, depends upon an infinite variety of facts and combinations, all of which ought to be known, in order to judge, whether the existence or non existence of paper currencies has any share in the relative proportions they contain. The mass and value of the productions of the labor and industry of each, compared with its wants; the nature of its establishments abroad; the kind of wars in which it is usually engaged; the relations it bears to the countries, which are the original possessors of those metals; the privileges it enjoys in their trade; these and a number of other circumstances are all to be taken into the account, and render the investigation too complex to justify any reliance on the vague and general surmises, which have been hitherto hazarded on the point.

In the foregoing discussion, the objection has been considered as applying to the permanent expulsion and diminution of the metals. Their temporary exportation, for particular purposes, has not been contemplated. This, it must be confessed is facilitated by Banks, from the faculty they possess of supplying their place. But their utility is in nothing more conspicuous, than in these very cases. They enable the Government to pay its foreign debts, and to answer any exigencies, which the external concerns of the community may have produced. They enable the Merchant to support his credit, (on which the prosperity of trade depends) when special circumstances prevent remittances in other modes. They enable him also to prosecute enterprises, which ultimately tend to an augmentation of the species of wealth in question. It is evident, that gold and silver may often be employed in procuring commodities abroad; which, in a circuitous commerce, replace the

original fund, with considerable addition. But it is not to be inferred from this facility given to temporary exportation, that Banks, which are so friendly to trade and industry, are in their general tendency, inimical to the increase of the precious metals.

These several views of the subject appear sufficient to impress a full conviction, of the utility of Banks, and to demonstrate that they are of great importance, not only in relation to the administration of the finances, but in the general system of the political œconomy.

The judgment of many concerning them has no doubt been perplexed, by the misinterpretation of appearances, which were to be ascribed to other causes. The general devastation of personal property, occasioned by the late war, naturally produced, on the one hand, a great demand for money, and on the other a great deficiency of it to answer the demand. Some injudicious laws, which grew out of the public distresses, by impairing confidence and causing a part of the inadequate sum in the country to be locked up, aggravated the evil: The dissipated habits, contracted by many individuals, during the war, which after the peace plunged them into expences beyond their incomes: The number of adventurers without capital and in many instances, without information, who at that epoch rushed into trade, and were obliged to make any sacrifices to support a transient credit; the employment of considerable sums in speculations upon the public debt, which from its unsettled state was incapable of becoming itself a substitute: All these circumstances concurring necessarily led to usurious borrowing, produced most of the inconveniencies, and were the true causes of most of the appearances; which, where the Banks were established, have been by some erroneously placed to their account: a mistake, which they might easily have avoided, by turning their eyes towards places, where there were none, and where, nevertheless, the same evils would have been perceived to exist, even in a greater degree, than where those institutions had obtained.

These evils have either ceased, or been greatly mitigated. Their more complete extinction may be looked for, from that additional security to property, which the constitution of the United States happily gives (a circumstance of prodigious moment in the scale both of public and private prosperity) from the attraction of foreign capital, under the auspices of that security, to be employed upon objects & in enterprises, for which the state of this country opens a wide and inviting field, from the consistency and stability, which the public debt is fast acquiring, as well in the public opinion, at home and abroad, as in fact; from the augmentation of capital, which that circumstance and the quarter yearly payment of interest will afford; and from the more copious circulation, which will be likely to be created by a well constituted National Bank.

The establishment of Banks in this country seems to be recommended by reasons of a peculiar nature. Previously to the revolution circulation was in a great measure carried on by paper emitted by the several local governments. In Pennsylvania alone the quantity of it was near a million and a half of dollars. This auxiliary may be said to be now at an end. And it is generally supposed, that there has been for some time past, a deficiency of circulating medium. How far that deficiency is to be considered as real or imaginary is not susceptible of demonstration, but there are circumstances and appearances, which, in relation to the country at large, countenance the supposition of its reality.

The circumstances are, besides the fact just mentioned respecting paper emissions the vast tracts of waste land, and the little advanced state of manufactures. The progressive settlement of the former, while it promises ample retribution, in the generation of future resources, diminishes or obstructs, in the mean time, the active wealth of the country. It not only draws off a part of the circulating money, and places it in a more passive state, but it diverts into its own channels a portion of that species of labor and industry, which would otherwise be employed, in furnishing materials for foreign trade, and which by contributing to a favorable balance, would assist the introduction of specie. In the early periods of new settlements, the settlers not only furnish no surplus for exportation, but they consume a part of that which is produced by the labour of others. The same thing is a cause, that manufactures do not advance or advance slowly. And notwithstanding some hypotheses to the contrary, there are many things to induce a suspicion, that the precious metals will not abound, in any country, which has not mines or variety of manufactures. They have been sometimes acquired by the sword, but the modern system of war has expelled this resource, and it is one upon which it is to be hoped the United States will never be inclined to rely.

The appearances, alluded to, are, greater prevalency of direct barter, in the more interior districts of the country, which however has been for some time past gradually lessening; and greater difficulty, generally, in the advantageous alienation of improved real estate; which, also, has, of late, diminished, but is still seriously felt in different parts of the Union. The difficulty of getting money, which has been a general complaint of all times, and one, in which imagination must ever have too great scope, to permit an appeal to it.

If the supposition of such a deficiency be in any degree founded, and some aid to circulation be desireable, it remains to inquire what ought to be the nature of that aid.

The emitting of paper money by the authority of Government is wisely prohibited to the individual States, by the National Constitution. And the spirit of that prohibition ought not to be disregarded, by the

Government of the United States. Though paper emissions, under a general authority, might have some advantages, not applicable, and be free from some disadvantages, which are applicable, to the like emissions by the States separately; yet they are of a nature so liable to abuse, and it may even be affirmed so certain of being abused, that the wisdom of the Government will be shewn in never trusting itself with the use of so seducing and dangerous an expedient. In times of tranquillity, it might have no ill consequence, it might even perhaps be managed in a way to be productive of good; but in great and trying emergencies, there is almost a moral certainty of its becoming mischievous. The stamping of paper is an operation so much easier than the laying of taxes, that a government, in the practice of paper emissions, would rarely fail in any such emergency to indulge itself too far, in the employment of that resource, to avoid as much as possible one less auspicious to present popularity. If it should not even be carried so far as to be rendered an absolute bubble, it would at least be likely to be extended to a degree, which would occasion an inflated and artificial state of things incompatible with the regular and prosperous course of the political œconomy.

Among other material differences between a paper currency, issued by the mere authority of Government, and one issued by a Bank, payable in coin, is this—That in the first case, there is no standard to which an appeal can be made, as to the quantity which will only satisfy, or which will surcharge the circulation; in the last, that standard results from the demand. If more should be issued, than is necessary, it will return upon the bank. Its emissions, as elsewhere intimated, must always be in a compound ratio to the fund and to the demand: Whence it is evident, that there is a limitation in the nature of the thing: While the discretion of the government is the only measure of the extent of the emissions, by its own authority.

This consideration further illustrates the danger of emissions of that sort, and the preference, which is due to Bank paper.

The payment of the interest of the public debt, at thirteen different places, is a weighty reason, peculiar to our immediate situation, for desiring a Bank circulation. Without a paper, in general currency, equivalent to gold and silver, a considerable proportion of the specie of the country must always be suspended from circulation and left to accumulate, preparatorily to each day of payment; and as often as one approaches, there must in several cases be an actual transportation of the metals at both expence and risk, from their natural and proper reservoirs to distant places. This necessity will be felt very injuriously to the trade of some of the States; and will embarrass not a little the operations of the Treasury in those States. It will also obstruct those negociations, between different parts of the Union, by the instrumentality of Treasury bills, which have already afforded valuable accommodations to Trade in general.

Assuming it then as a consequence, from what has been said, that a national bank is a desireable institution; two inquiries emerge. Is there no such institution, already in being, which has a claim to that character, and which supersedes the propriety, or necessity of another? If there be none, what are the principles upon which one ought to be established?

There are at present three banks in the United States. That of North America, established in the city of Philadelphia; that of New York, established in the city of New York; that of Massachusetts, established in the city of Boston. Of these three, the first is the only one, which has at any time had a direct relation to the Government of the United States.

The Bank of North America originated in a resolution of Congress of the 26th of May 1781, founded upon a proposition of the Superintendant of finance, which was afterwards carried into execution, by an ordinance of the 31st of december following, entitled, "An Ordinance to incorporate the Subscribers to the Bank of North America."

The aid afforded to the United States, by this institution, during the remaining period of the war, was of essential consequence, and its conduct towards them since the peace, has not weakened its title to their patronage and favour. So far its pretensions to the character in question are respectable; but there are circumstances, which militate against them; and considerations, which indicate the propriety of an establishment on different principles.

The Directors of this Bank, on behalf of their constituents, have since accepted and acted under a new charter from the State of Pennsylvania, materially variant from their original one; and which so narrows the foundation of the institution, as to render it an incompetent basis for the extensive purposes of a National Bank.

The limit assigned by the ordinance of Congress to the Stock of the Bank is ten millions of Dollars. The last charter of Pennsylvania confines it to two millions. Questions naturally arise, whether there be not a direct repugnancy between two charters so differently circumstanced; and whether the acceptance of the one is not to be deemed a virtual surrender of the other. But perhaps it is neither adviseable nor necessary to attempt a solution of them.

There is nothing in the Acts of Congress, which imply an exclusive right in the institution, to which they relate, except during the term of the war. There is therefore nothing, if the public good require it, which prevents the establishment of another. It may however be incidentally remarked, that in the general opinion of the citizens of the United States, the Bank of North America has taken the station of a bank of Pennsylvania only. This is a strong argument for a new institution, or for a renovation of the old, to restore it to the situation in which it originally stood, in the view of the United States.

But though the ordinance of Congress contains no grant of exclusive privileges, there may be room to allege, that the Government of the United States ought not, in point of candour and equity, to establish any rival or interfering institution, in prejudice of the one already established; especially as this has, from services rendered, well founded claims to protection and regard.

The justice of such an observation ought within proper bounds to be admitted. A new establishment of the sort ought not to be made, without cogent and sincere reasons of public good. And in the manner of doing it every facility should be given to a consolidation of the old with the new, upon terms not injurious to the parties concerned. But there is no ground to maintain, that in a case, in which the Government has made no condition restricting its authority, it ought voluntarily to restrict it, through regard to the interests of a particular institution, when those of the state dictate a different course; especially too after such circumstances have intervened, as characterise the actual situation of the Bank of North America.

The inducements, to a new disposition of the thing are now to be considered. The first of them which occurs is, the, at least ambiguous, situation, in which the Bank of North America has placed itself, by the acceptance of its last charter. If this has rendered it the mere Bank of a particular State, liable to dissolution at the expiration of fourteen years, to which term the act of that state has restricted its duration, it would be neither fit nor expedient to accept it, as an equivalent for a Bank of the United States.

The restriction of its capital also, which according to the same supposition, cannot be extended beyond two millions of dollars, is a conclusive reason for a different establishment. So small a capital promises neither the requisite aid to government, nor the requisite security to the community. It may answer very well the purposes of local accommodation, but is an inadequate foundation for a circulation coextensive with the United States, embracing the whole of their revenues, and affecting every individual, into whose hands the paper may come.

And inadequate as such a capital would be to the essential ends of a National Bank, it is liable to being rendered still more so, by that principle of the constitution of the Bank of North America, contained equally in its old and in its new charter, which leaves the increase of the actual capital at any time (now far short of the allowed extent) to the discretion of the Directors, or Stockholders. It is naturally to be expected, that the allurements of an advanced price of Stock and of large dividends may disincline those, who are interested, to an extension of capital; from which they will be apt to fear a diminution of profits. And from this circumstance, the interest and accommodation of the public (as well individually as collectively) are made more

subordinate to the interest, real or imagined, of the Stockholders, than they ought to be. It is true, that unless the latter be consulted, there can be no bank (in the sense at least in which institutions of this kind, worthy of confidence, can be established in this Country) but it does not follow, that this is alone to be consulted, or that it even ought to be paramount. Public utility is more truly the object of public Banks, than private profit. And it is the business of Government, to constitute them on such principles, that while the latter will result, in a sufficient degree, to afford competent motives to engage in them, the former be not made subservient to it. To effect this, a principal object of attention ought to be to give free scope to the creation of an ample capital; and with this view, fixing the bounds, which are deemed safe and convenient, to leave no discretion either to stop short of them or to overpass them. The want of this precaution, in the establishment of the Bank of North America, is a further and an important reason for desiring one differently constituted.

There may be room, at first sight, for a supposition, that as the profits of a Bank will bear a proportion to the extent of its operations, and as, for this reason, the interest of the Stockholders will not be disadvantageously affected, by any necessary augmentations of capital, there is no cause to apprehend, that they will be indisposed to such augmentations. But most men in matters of this nature, prefer the certainties, they enjoy, to probabilities depending on untried experiments; especially when these promise rather, that they will not be injured, than that they will be benefited.

From the influence of this principle, and a desire of enhancing its profits, the Directors of a Bank will be more apt to overstrain its faculties, in the attempt to face the additional demands, which the course of business may create, than to set on foot new subscriptions, which may hazard a diminution of the profits, and even a temporary reduction of the price of Stock.

Banks are among the best expedients for lowering the rate of interest, in a country; but to have this effect, their capitals must be completely equal to all the demands of business, and such as will tend to remove the idea, that the accommodations they afford, are in any degree favours; an idea very apt to accompany the parsimonious dispensation of contracted funds. In this, as in every other case, the plenty of the commodity ought to beget a moderation of the price.

The want of a principle of rotation, in the constitution of the Bank of North America, is another argument for a variation of the establishment. Scarcely one of the reasons, which militate against this principle in the constitution of a country, is applicable to that of a Bank; while there are strong reasons in favour of it, in relation to the one, which do not apply to the other. The knowledge, to be derived from experience, is the only circumstance common to both, which pleads against rotation in the directing officers of a Bank.

But the objects of the Government of a nation, and those of the government of a bank are so widely different, as greatly to weaken the force of that consideration, in reference to the latter. Almost every important case of legislation requires, towards a right decision, a general and an accurate acquaintance with the affairs of the state; and habits of thinking seldom acquired, but from a familiarity with public concerns. The administration of a bank, on the contrary, is regulated, by a few simple fixed maxims, the application of which is not difficult to any man of judgment, especially if instructed in the principles of trade. It is in general a constant succession of the same details.

But though this be the case, the idea of the advantages of experience is not to be slighted. Room ought to be left for the regular transmission of official information: And for this purpose the head of the direction ought to be excepted from the principle of rotation. With this exception, and with the aid of the information of the subordinate officers, there can be no danger of any ill effects from want of experience, or knowledge; especially as the periodical exclusion ought not to reach the whole of the Directors at one time.

The argument in favour of the principle of rotation is this, that by lessening the danger of combinations among the Directors, to make the institution subserviant to party views, or to the accommodation, preferably, of any particular set of men, it will render the public confidence more firm, stable and unqualified.

When it is considered, that the Directors of a Bank are not elected by the great body of the community, in which a diversity of views will naturally prevail, at different conjunctures, but by a small and select class of men, among whom it is far more easy to cultivate a steady adherence to the same persons and objects; and that those Directors have it in their power so immediately to conciliate, by obliging the most influential of this class, it is easy to perceive, that without the principle of rotation, changes in that body can rarely happen, but as a concession which they may themselves think it expedient to make to public opinion.

The continual administration of an institution of this kind, by the same persons, will never fail, with, or without, cause, from their conduct, to excite distrust and discontent. The necessary secrecy of their transactions gives unlimited scope to imagination to infer that something is, or may be wrong. And this inevitable mystery is a solid reason, for inserting in the constitution of a Bank the necessity of a change of men. As neither the mass of the parties interested nor the public in general can be permitted to be witnesses of the interior management of the Directors, it is reasonable, that both should have that check upon their conduct, and that security against the prevalency

of a partial or pernicious system, which will be produced by the certainty of periodical changes. Such too is the delicacy of the credit of a Bank, that every thing, which can fortify confidence and repel suspicion, without injuring its operations, ought carefully to be sought after in its formation.

A further consideration in favour of a change, is the improper rule, by which the right of voting for Directors is regulated in the plan, upon which the Bank of North America was originally constituted, namely a vote for each share, and the want of a rule in the last charter; unless the silence of it, on that point, may signify that every Stockholder is to have an equal and a single vote, which would be a rule in a different extreme not less erroneous. It is of importance that a rule should be established, on this head, as it is one of those things, which ought not to be left to discretion; and it is consequently, of equal importance, that the rule should be a proper one.

A vote for each share renders a combination, between a few principal Stockholders, to monopolise the power and benefits of the Bank too easy. An equal vote to each Stockholder, however great or small his interest in the institution, allows not that degree of weight to large stockholders, which it is reasonable they should have, and which perhaps their security and that of the bank require. A prudent mean is to be preferred. A conviction of this has produced a bye-law of the corporation of the bank of North America, which evidently aims at such a mean. But a reflexion arises here, that a like majority with that which enacted this law, may at any moment repeal it.

The last inducement, which shall be mentioned, is the want of precautions to guard against a foreign influence insinuating itself into the Direction of the Bank. It seems scarcely reconcileable with a due caution to permit, that any but citizens should be eligible as Directors of a National Bank, or that non-resident foreigners should be able to influence the appointment of Directors by the votes of their proxies. In the event however of an incorporation of the Bank of North America in the plan, it may be necessary to qualify this principle, so as to leave the right of foreigners, who now hold shares of its stock unimpaired; but without the power of transmitting the privilege in question to foreign alienees.

It is to be considered, that such a Bank is not a mere matter of private property, but a political machine of the greatest importance to the State.

There are other variations from the Constitution of the Bank of North America, not of inconsiderable moment, which appear desireable, but which are not of magnitude enough to claim a preliminary discussion. These will be seen in the plan, which will be submitted in the sequel.

If the objections, which have been stated to the constitution of the Bank of North America, are admitted to be well founded, they will nevertheless not derogate from the merit of the main design, or of the services which that bank has rendered, or of the benefits which it has

produced. The creation of such an institution, at the time it took place, was a measure dictated by wisdom. Its utility has been amply evinced by its fruits. American Independence owes much to it. And it [is] very conceivable, that reasons of the moment may have rendered those features in it inexpedient which a revision, with a permanent view, suggests as desireable.

The order of the subject leads next to an inquiry into the principles, upon which a national Bank, ought to be organised.

The situation of the United States naturally inspires a wish, that the form of the institution could admit of a plurality of branches. But various considerations discourage from pursuing this idea. The complexity of such a plan would be apt to inspire doubts, which might deter from adventuring in it. And the practicability of a safe and orderly administration, though not to be abandoned as desparate cannot be made so manifest in perspective, as to promise the removal of those doubts, or to justify the Government in adopting the idea as an original experiment. The most that would seem adviseable, on this point, is to insert a provision, which may lead to it hereafter; if experience shall more clearly demonstrate its utility, and satisfy those, who may have the Direction, that it may be adopted with safety. It is certain, that it would have some advantages both peculiar and important. Besides more general accommodation, it would lessen the danger of a run upon the bank.

The argument, against it, is, that each branch must be under a distinct, though subordinate direction; to which a considerable latitude of discretion must of necessity be entrusted. And as the property of the whole institution would be liable for the engagements of each part, that and its credit would be at stake, upon the prudence of the Directors of every part. The mismanagement of either branch, might hazard serious disorder in the whole.

Another wish, dictated by the particular situation of the country, is, that the Bank could be so constituted as to be made an immediate instrument of loans to the proprietors of land; but this wish also yields to the difficulty of accomplishing it. Land is alone an unfit fund for a bank circulation. If the notes issued upon it were not to be payable in coin, on demand, or at a short date; this would amount to nothing more than a repetition of the paper emissions, which are now exploded by the general voice. If the notes are to be payable in coin, the land must first be converted into it by sale, or mortgage. The difficulty of effecting the latter is the very thing, which begets the desire of finding another resource, and the former would not be practicable on a sudden emergency, but with sacrifices which would make the cure worse than the disease. Neither is the idea of constituting the fund partly of coin and partly of land free from impediments. These two species of property do not for the most part unite in the same hands.

Will the monied man consent to enter into a partnership with the landholder by which the latter will share in the profits which will be made by the money of the former? The money it is evident will be the agent or efficient cause of the profits. The land can only be regarded as an additional security. It is not difficult to foresee, that an union, on such terms, will not readily be formed. If the landholders are to procure the money by sale or mortgage of a part of their lands, this they can as well do, when the Stock consists wholly of money, as if it were to be compounded of money and land.

To procure for the landholders the assistance of loans is the great desideratum. Supposing other difficulties surmounted, and a fund created, composed partly of coin and partly of land, yet the benefit contemplated could only then be obtained, by the banks advancing them its notes for the whole or part of the value of the lands, they had subscribed to the Stock. If this advance was small, the relief aimed at would not be given; if it was large, the quantity of notes issued would be a cause of distrust, and, if received at all, they would be likely to return speedily upon the Bank for payment; which, after exhausting its coin, might be under a necessity of turning its lands into money, at any price, that could be obtained for them, to the irreparable prejudice of the proprietors.

Considerations of public advantage suggest a further wish, which is, that the Bank could be established upon principles, that would cause the profits of it to redound to the immediate benefit of the State. This is contemplated by many, who speak of a National Bank, but the idea seems liable to insuperable objections. To attach full confidence to an institution of this nature, it appears to be an essential ingredient in its structure, that it shall be under a private not a public Direction, under the guidance of individual interest, not of public policy; which would be supposed to be, and in certain emergencies, under a feeble or too sanguine administration would, really, be, liable to being too much influenced by public necessity. The suspicion of this would most probably be a canker, that would continually corrode the vitals of the credit of the Bank, and would be most likely to prove fatal in those situations, in which the public good would require, that they should be most sound and vigorous. It would indeed be little less, than a miracle, should the credit of the Bank be at the disposal of the Government, if in a long series of time, there was not experienced a calamitous abuse of it. It is true, that it would be the real interest of theGovernment not to abuse it; its genuine policy to husband and cherish it with the most guarded circumspection as an inestimable treasure. But what Government ever uniformly consulted its true interest, in opposition to the temptations of momentary exigencies? What nation was ever blessed with a constant succession of upright and wise Administrators?

The keen, steady, and, as it were, magnetic sense, of their own interest, as proprietors, in the Directors of a Bank, pointing invariably to its true pole, the prosperity of the institution, is the only security, that can always be relied upon, for a careful and prudent administration. It is therefore the only basis on which an enlightened, unqualified and permanent confidence can be expected to be erected and maintained.

The precedents of the Banks established in several cities of Europe, Amsterdam, Hamburgh and others, may seem to militate against this position. Without a precise knowledge of all the peculiarities of their respective constitutions, it is difficult to pronounce how far this may be the case. That of Amsterdam, however, which we best know, is rather under a municipal than a governmental direction. Particular magistrates of the city, not officers of the republic, have the management of it. It is also a Bank of deposit, not of loan, or circulation; consequently less liable to abuse, as well as less useful. Its general business consists in receiving money for safekeeping; which if not called for within a certain time becomes a part of its Stock and irreclaimable: But a Credit is given for it on the books of the Bank, which being transferable, answers all the purposes of money.

The Directors being Magistrates of the city, and the Stockholders in general, its most influential citizens, it is evident, that the principle of private interest must be prevalent in the management of the Bank. And it is equally evident, that from the nature of its operations, that principle is less essential to it, than to an Institution, constituted with a view to the accommodation of the Public and Individuals by direct loans and a paper circulation.

As far as may concern the aid of the Bank, within the proper limits, a good government has nothing more to wish for, than it will always possess; though the management be in the hands of private individuals. As the institution, if rightly constituted, must depend for its renovation from time to time on the pleasure of the Government, it will not be likely to feel a disposition to render itself, by its conduct, unworthy of public patronage. The Government too in the administration of its finances, has it in its power to reciprocate benefits to the Bank, of not less importance, than those which the bank affords to the Government, and which besides are never unattended with an immediate and adequate compensation. Independent of these more particular considerations, the natural weight and influence of a good Government will always go far towards procuring a compliance with its desires; and as the Directors will usually be composed of some of the most discreet, respectable and well informed citizens, it can hardly ever be difficult to make them sensible of the force of the inducements, which ought to stimulate their exertions.

It will not follow, from what has been said, that the State may not be the holder of a part of the Stock of a Bank, and consequently a sharer in the profits of it. It will only follow, that it ought not to desire any participation in the Direction of it, and therefore ought not to own the whole or a principal part of the Stock; for if the mass of the property should belong to the public, and if the direction of it should be in private hands, this would be to commit the interests of the State to persons, not interested, or not enough interested in their proper management.

There is one thing, however, which the Government owes to itself and to the community; at least to all that part of it, who are not Stockholders; which is to reserve to itself a right of ascertaining, as often as may be necessary, the state of the Bank, excluding however all pretension to controul. This right forms an article in the primitive constitution of the Bank of North America. And its propriety stands upon the clearest reasons. If the paper of a Bank is to be permitted to insinuate itself into all the revenues and receipts of a country; if it is even to be tolerated as the substitute for gold and silver, in all the transactions of business, it becomes in either view a national concern of the first magnitude. As such the ordinary rules of prudence require, that the Government should possess the means of ascertaining, whenever it thinks fit, that so delicate a trust is executed with fidelity and care. A right of this nature is not only desireable, as it respects the Government; but it ought to be equally so to all those, concerned in the institution; as an additional title to public and private confidence; and as a thing which can only be formidable to practices, that imply mismanagement. The presumption must always be, that the characters who would be entrusted with the exercise of this right, on behalf of the Government, will not be deficient in the discretion, which it may require; at least the admitting of this presumption cannot be deemed too great a return of confidence for that very large portion of it, which the Government is required to place in the Bank.

Abandoning, therefore, ideas, which however agreeable or desireable, are neither practicable nor safe, the following plan for the constitution of a National Bank is respectfully submitted to the consideration of the House.

I. The capital Stock of the Bank shall not exceed ten Millions of Dollars, divided into Twenty five thousand shares, each share being four hundred Dollars; to raise which sum, subscriptions shall be opened on the first monday of april next, and shall continue open, until the whole shall be subscribed. Bodies politic as well as individuals may subscribe.

II. The amount of each share shall be payable, one fourth in gold and silver coin, and three fourths in that part of the public debt, which according to the loan proposed by the Act making provision for the debt of the United States, shall bear an accruing interest at the time of payment of six per centum per annum.

III. The respective sums subscribed shall be payable in four equal parts, as well specie as debt, in succession, and at the distance of six calendar months from each other; the first payment to be made at the time of subscription. If there shall be a failure in any subsequent payment, the party failing shall lose the benefit of any dividend which may have accrued, prior to the time for making such payment, and during the delay of the same.

IV. The Subscribers to the Bank and their successors shall be incorporated, and shall so continue until the final redemption of that part of its stock, which shall consist of the public debt.

V. The capacity of the corporation to hold real and personal estate shall be limited to fifteen millions of Dollars, including the amount of its capital, or original stock. The lands and tenements, which it shall be permitted to hold, shall be only such as shall be requisite for the immediate accommodation of the institution; and such as shall have been bona fide mortgaged to it by way of security, or conveyed to it in satisfaction of debts previously contracted, in the usual course of its dealings, or purchased at sales upon judgments which shall have been obtained for such debts.

VI. The totality of the debts of the company, whether by bond, bill, note, or other contract, (credits for deposits excepted) shall never exceed the amount of its capital stock. In case of excess, the Directors, under whose administration it shall happen, shall be liable for it in their private or separate capacities. Those who may have dissented may excuse themselves from this responsibility by immediately giving notice of the fact and their dissent to the President of the United States, and to the Stockholders, at a general meeting to be called by the President of the Bank at their request.

VII. The Company may sell or demise its lands and tenements, or may sell the whole, or any part of the public Debt, whereof its Stock shall consist; but shall trade in nothing, except bills of exchange, gold and silver bullion, or in the sale of goods pledged for money lent: nor shall take more than at the rate of six per centum, per annum, upon its loans or discounts.

VIII. No loan shall be made by the bank, for the use or on account of the Government of the United States, or of either of them to an amount exceeding fifty thousand Dollars, or of any foreign prince or State; unless previously authorised by a law of the United States.

IX. The Stock of the Bank shall be transferable according to such rules as shall be instituted by the Company in that behalf.

X. The affairs of the Bank shall be under the management of Twenty five Directors, one of whom shall be the President. And there shall be on the first monday of January, in each year, a choice of Directors, by plurality of suffrages of the Stockholders, to serve for a year. The Directors at their first meeting, after each election, shall choose one of their number as President.

XI. The number of votes, to which each Stockholder shall be entitled, shall be according to the number of shares he shall hold in the proportions following, that is to say, for one share and not more than two shares one vote; for every two shares, above two and not exceeding ten, one vote; for every four shares above ten and not exceeding thirty, one vote; for every six shares above thirty and not exceeding sixty, one vote; for every eight shares above sixty and not exceeding one hundred, one vote; and for every ten shares above one hundred, one vote; but no person, copartnership, or body politic, shall be entitled to a greater number than thirty votes. And after the first election, no share or shares shall confer a right of suffrage, which shall not have been holden three calendar months previous to the day of election. Stockholders actually resident within the United States and none other may vote in elections by proxy.

XII. Not more than three fourths of the Directors in office, exclusive of the President, shall be eligible for the next succeeding year. But the Director who shall be President at the time of an election may always be reelected.

XIII. None but a Stockholder being a citizen of the United States, shall be eligible as a Director.

XIV. Any number of Stockholders not less than sixty, who together shall be proprietors of two hundred shares, or upwards, shall have power at any time to call a general meeting of the Stockholders, for purposes relative to the Institution; giving at least six weeks notice in two public gazettes of the place where the Bank is kept, and specifying in such notice the object of the meeting.

XV. In case of the death, resignation, absence from the United States, or removal of a Director by the Stockholders, his place may be filled by a new choice for the remainder of the year.

XVI. No Director shall be entitled to any emolument, unless the same shall have been allowed by the Stockholders at a General meeting. The Stockholders shall make such compensation to the President, for his extraordinary attendance at the Bank, as shall appear to them reasonable.

XVII. Not less than seven Directors shall constitute a Board for the transaction of business.

XVIII. Every Cashier, or Treasurer, before he enters on the duties of his office shall be required to give bond, with two or more sureties, to the satisfaction of the Directors, in a sum not less than twenty thousand Dollars, with condition for his good behaviour.

XIX. Half yearly dividends shall be made of so much of the profits of the Bank as shall appear to the Directors adviseable: And once in every three years the Directors shall lay before the Stockholders, at a General Meeting, for their information, an exact and particular statement of the debts, which shall have remained unpaid, after the expiration of the original credit, for a period of treble the term of that credit; and of the surplus of profit, if any, after deducting losses and dividends.

XX. The bills and notes of the Bank originally made payable, or which shall have become payable on demand, in gold and silver coin, shall be receivable in all payments to the United States.

XXI. The Officer at the head of the Treasury Department of the United States, shall be furnished from time to time, as often as he may require, not exceeding once a week, with statements of the amount of the capital Stock of the Bank and of the debts due to the same; of the monies deposited therein; of the notes in circulation, and of the Cash in hand; and shall have a right to inspect such general account in the books of the bank as shall relate to the said statements; provided, that this shall not be construed to imply a right of inspecting this account of any private individual or individuals with the Bank.

XXII. No similar institution shall be established by any future act of the United States, during the continuance of the one hereby proposed to be established.

XXIII. It shall be lawful for the Directors of the Bank to establish offices, wheresoever they shall think fit, within the United States, for the purposes of discount and deposit only, and upon the same terms, and in the same manner, as shall be practiced at the Bank; and to commit the management of the said offices, and the making of the said discounts, either to Agents specially appointed by them, or to such persons as may be chosen by the Stockholders residing at the place where any such office shall be, under such agreements and subject to such regulations as they shall deem proper; not being contrary to law or to the Constitution of the Bank.

XXIV. And lastly. The President of the United States shall be authorised to cause a subscription to be made to the Stock of the said Company, on behalf of the United States, to an amount not exceeding two Millions of Dollars, to be paid out of the monies which shall be borrowed by virtue of either of the Acts, the one entitled "an Act making provision for the debt of the United States," and the other

entitled "An Act making provision for the reduction of the Public Debt"; borrowing of the bank an equal sum, to be applied to the purposes for which the said monies shall have been procured, reimbursable in ten years by equal annual instalments; or at any time sooner, or in any greater proportions, that the Government may think fit.

The reasons for the several provisions contained in the foregoing plan, have been so far anticipated, and will, for the most part, be so readily suggested, by the nature of those provisions, that any comments, which need further be made, will be both few and concise.

The combination of a portion of the public Debt in the formation of the Capital, is the principal thing, of which an explanation is requisite. The chief object of this is, to enable the creation of a capital sufficiently large to be the basis of an extensive circulation, and an adequate security for it. As has been elsewhere remarked, the original plan of the Bank of North America contemplated a capital of ten millions of Dollars, which is certainly not too broad a foundation for the extensive operations, to which a National Bank is destined. But to collect such a sum in this country, in gold and silver, into one depository, may, without hesitation, be pronounced impracticable. Hence the necessity of an auxiliary which the public debt at once presents.

This part of the fund will be always ready to come in aid of the specie. It will more and more command a ready sale; and can therefore expeditiously be turned into coin if an exigency of the Bank should at any time require it. This quality of prompt convertibility into coin, renders it an equivalent for that necessary agent of Bank circulation; and distinguishes it from a fund in land of which the sale would generally be far less compendious and at great disadvantage. The quarter yearly receipts of interest will also be an actual addition to the specie fund during the intervals between them and the half yearly dividends of profits. The objection to combining land with specie, resulting from their not being generally in possession of the same persons, does not apply to the debt, which will always be found in considerable quantity among the monied and trading people.

The debt composing part of the capital, besides its collateral effect in enabling the Bank to extend its operations, and consequently to enlarge its profits, will produce a direct annual revenue of six per centum from the Government, which will enter into the half yearly dividends received by the Stockholders.

When the present price of the public debt is considered, and the effect which its conversion into Bank Stock, incorporated with a specie fund, would in all probability have to accelerate its rise to the proper point, it will easily be discovered, that the operation presents in its outset a very considerable advantage to those who may become

subscribers; and from the influence, which that rise would have on the general mass of the Debt, a proportional benefit to all the public creditors, and, in a sense, which has been more than once adverted to, to the community at large.

There is an important fact, which exemplifies the fitness of the public Debt, for a bank fund, and which may serve to remove doubts in some minds on this point. It is this, that the Bank of England in its first erection rested wholly on that foundation. The subscribers to a Loan to Government of one million two hundred thousand pounds sterling were incorporated as a Bank; of which the Debt created by the Loan, and the interest upon it, were the sole fund. The subsequent augmentations of its capital, which now amounts to between eleven and twelve millions of pounds sterling, have been of the same nature.

The confining of the right of the Bank to contract debts to the amount of its capital is an important precaution, which is not to be found in the constitution of the Bank of North America, and which, while the fund consists wholly of coin, would be a restriction attended with inconveniencies, but would be free from any if the composition of it should be such as is now proposed. The restriction exists in the establishment of the Bank of England, and as a source of security is worthy of imitation. The consequence of exceeding the limit there is, that each Stockholder is liable to the excess, in proportion to his interest in the Bank. When it is considered, that the Directors owe their appointments to the choice of the Stockholders, a responsibility of this kind, on the part of the latter, does not appear unreasonable. But, on the other hand, it may be deemed a hardship upon those, who may have dissented from the choice. And there are many among us, whom it might perhaps discourage from becoming concerned in the institution. These reasons have induced the placing of the responsibility upon the Directors, by whom the limit prescribed should be transgressed.

The interdiction of loans on account of the United States, or of any particular State, beyond the moderate sum specified, or of any foreign power, will serve as a barrier to executive incroachments; and to combinations inauspicious to the safety or contrary to the policy of the Union.

The limitation of the rate of interest is dictated by the consideration, that different rates prevail in different parts of the Union; and as the operations of the Bank may extend through the whole, some rule seems to be necessary. There is room for a question, whether the limitation ought not rather to be to five than to six per cent, as proposed. It may with safety be taken for granted, that the former rate would yield an ample dividend; perhaps as much as the latter, by the extension which it would give to business. The natural effect

of low interest is to increase trade and industry; because undertakings of every kind can be prosecuted with greater advantage. This is a truth generally admitted; but it is requisite to have analised the subject, in all its relations, to be able to form a just conception of the extent of that effect. Such an analysis cannot but satisfy an intelligent mind, that the difference of one per cent, in the rate at which money may be had, is often capable of making an essential change for the better in the situation of any country or place.

Every thing, therefore, which tends to lower the rate of interest is peculiarly worthy of the cares of Legislators. And though laws which violently sink the legal rate of interest greatly below the market level are not to be commended, because they are not calculated to answer their aim, yet whatever has a tendency to effect a reduction, without violence to the natural course of things, ought to be attended to and pursued. Banks are among the means most proper to accomplish this end; and the moderation of the rate at which their discounts are made, is a material ingredient towards it; with which their own interest, viewed on an enlarged and permanent scale, does not appear to clash.

But as the most obvious ideas are apt to have greater force, than those which depend on complex and remote combinations, there would be danger, that the persons whose funds must constitute the Stock of the Bank would be diffident of the sufficiency of the profits to be expected, if the rate of loans and discounts were to be placed below the point to which they have been accustomed; and might on this account be indisposed to embarking in the plan. There is, it is true, one reflection, which in regard to men actively engaged in trade ought to be a security against this danger; it is this, that the accommodations which they might derive in the way of their business, at a low rate, would more than indemnify them for any difference in the dividend, supposing even that some diminution of it were to be the consequence. But upon the whole, the hazard of contrary reasoning among the mass of monied men is a powerful argument against the experiment. The institutions of the kind already existing add to the difficulty of making it. Maturer reflection and a large capital may of themselves lead to the desired end.

The last thing, which will require any explanatory remark, is the authority proposed to be given to the President to subscribe to the amount of two millions of Dollars on account of the public. The main design of this is to enlarge the specie fund of the Bank, and to enable it to give a more early extension to its operations. Though it is proposed to borrow with one hand what is lent with the other, yet the disbursement of what is borrowed will be progressive, and Bank notes may be thrown into circulation, instead of the gold and

silver. Besides, there is to be an annual reimbursement of a part of the sum borrowed, which will finally operate as an actual investment of so much specie. In addition to the inducements to this measure, which results from the general interest of the Government, to enlarge the sphere of the utility of the Bank, there is this more particular consideration, to wit, that as far as the dividend on the Stock shall exceed the interest paid on the loan, there is a positive profit.

The Secretary begs leave to conclude, with this general observation, that if the Bank of North America shall come forward with any propositions, which have for object the ingrafting upon that institution the characteristics, which shall appear to the Legislature necessary to the due extent and safety of a National Bank, there are, in his judgment, weighty inducements to giving every reasonable facility to the measure. Not only the pretensions of that institution, from its original relation to the Government of the United States, and from the services it has rendered, are such as to claim a disposition favourable to it, if those who are interested in it are willing on their part to place it on a footing satisfactory to the Government, and equal to the purposes of a Bank of the United States; but its cooperation would materially accelerate the accomplishment of the great object, and the collision, which might otherwise arise, might, in a variety of ways, prove equally disagreeable and injurious. The incorporation or union here contemplated, may be effected in different modes, under the auspices of an Act of the United States, if it shall be desired by the Bank of North America, upon terms, which shall appear expedient to the Government.

All which is humbly submitted

Alexander Hamilton,
Secy of the Treasury

APPENDIX B

CHARTER OF THE FIRST BANK OF THE UNITED STATES [from Richard Peters, ed., The Public Statutes at Large of the United States of America (Boston, 1845) I, pp. 191-196.]

An Act to incorporate the subscribers in the Bank of the United States

Whereas it is conceived that the establishment of a bank for the United States, upon a foundation sufficiently extensive to answer the purposes intended thereby, and at the same time upon the principles which afford adequate security for an upright and prudent administration thereof, will be very conducive to the successful conducting of the national finances; will tend to give facility to the obtaining of loans, for the use of the government, in sudden emergencies; and will be productive of considerable advantages to trade and industry in general: Therefore,

Section 1. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a bank of the United States shall be established; the capital stock whereof shall not exceed ten millions of dollars, divided into twenty-five thousand shares, each share being four hundred dollars; and that subscriptions, towards constituting the said stock, shall, on the first Monday of April next, be opened at the city of Philadelphia, under the superintendence of such persons, not less than three, as shall be appointed for that purpose by the President of the United States (who is hereby empowered to appoint the said persons accordingly); which subscriptions shall continue open, until the whole of the said stock shall have been subscribed.

Sec. 2. And be it further enacted, That it shall be lawful for any person, co-partnership, or body politic, to subscribe for such or so many shares, as he, she, or they shall think fit, not exceeding one thousand, except as shall be hereafter directed relatively to the United States; and that the sums, respectively subscribed, except on behalf of the United States, shall be payable one fourth in gold and silver, and three fourths in that part of the public debt, which, according to the loan proposed in the fourth and fifteenth sections of the act, entitled "An act making provision for the debt of the United States," shall bear an accruing interest, at the time of payment, of six per centum per annum, and shall also be payable in four equal parts, in the aforesaid ratio of specie to debt, at the distance of six calendar months from each other; the first whereof shall be paid at the time of subscription.

Sec. 3. And be it further enacted, That all those, who shall become subscribers to the said bank, their successors and assigns, shall be, and are hereby created and made a corporation and body politic, by the name and style of The President, Directors and Company, of the Bank of the United States; and shall so continue, until the fourth day of March, one thousand eight hundred and eleven: And by that name, shall be, and are hereby made able and capable in law, to have, purchase, receive, possess, enjoy, and retain to them and their successors, lands, rents, tenements, hereditaments, goods, chattels and effects of what kind, nature or quality soever, to an amount, not exceeding in the whole fifteen millions of dollars, including the amount of the capital stock aforesaid; and the same to sell, grant, demise, aliene or dispose of; to sue and be sued, plead and be impleaded, answer and be answered, defend and be defended, in courts of record, or any other place whatsoever: And also to make, have, and use a common seal, and the same to break, alter and renew, at their pleasure; and also to ordain, establish, and put in execution, such by-laws, ordinances and regulations, as shall seem necessary and convenient for the government of the said corporation, not being contrary to law, or to the constitution thereof (for which purpose, general meetings of the stockholders shall and may be called by the directors, and in the manner herein after specified), and generally to do and execute all and singular acts, matters and things, which to them it shall or may appertain to do; subject nevertheless to the rules, regulations, restrictions, limitations and provisions herein after prescribed and declared.

Sec. 4. And be it further enacted, That, for the well ordering of the affairs of the said corporation, there shall be twenty-five directors; of whom there shall be an election on the first Monday of January in each year, by the stockholders or proprietors of the capital stock of the said corporation, and by plurality of the votes actually given; and those who shall be duly chosen at any election, shall be capable of serving as directors, by virtue of such choice, until the end or expiration of the Monday of January next ensuing the time of such election, and no longer. And the said directors, at their first meeting after each election, shall choose one of their number as President.

Sec. 5. Provided always, and be it further enacted, That, as soon as the sum of four hundred thousand dollars, in gold and silver, shall have been actually received on account of the subscriptions to the said stock, notice thereof shall be given, by the persons under whose superintendence the same shall have been made, in at lease two public gazettes printed in the city of Philadelphia; and the said persons shall, at the same time in like manner, notify a time and place within the said city, at the distance of ninety days from the time of such notification,

for proceeding to the election of directors; and it shall be lawful for such election to be then and there made; and the persons, who shall then and there be chosen, shall be the first directors, and shall be capable of serving, by virtue of such choice, until the end or expiration of the Monday in January next ensuing the time of making the same, and shall forthwith thereafter commence the operations of the said bank, at the said city of Philadelphia. And provided further, That, in case it should at any time happen, that an election of directors should not be made upon any day when pursuant to this act it ought to have been made, the said corporation shall not, for that cause, be deemed to be dissolved; but it shall be lawful, on any other day, to hold and make an election of directors in such manner as shall have been regulated by the laws and ordinances of the said corporation. And provided lastly, That in case of the death, resignation, absence from the United States, or removal of a director by the stockholders, his place may be filled up, by a new choice, for the remainder of the year.

Sec. 6. And be it further enacted, That the directors for the time being shall have power to appoint such officers, clerks, and servants under them, as shall be necessary for executing the business of the said corporation, and to allow them such compensation, for their services respectively, as shall be reasonable; and shall be capable of exercising such other powers and authorities, for the well governing and ordering of the affairs of the said corporation, as shall be described, fixed, and determined by the laws, regulations, and ordinances of the same.

Sec. 7. And be it further enacted, That the following rules, restrictions, limitations and provisions, shall form and be fundamental articles of the constitution of the said corporation, viz.

I. The number of votes to which each stockholder shall be entitled, shall be according to the number of shares he shall hold, in the proportions following: That is to say, for one share, and not more than two shares, one vote: for every two shares above two, and not exceeding ten, one vote: for every four shares above ten, and not exceeding thirty, one vote: for every six shares above thirty, and not exceeding sixty, one vote: for every eight shares above sixty, and not exceeding one hundred, one vote: and for every ten shares above one hundred, one vote:—But no person, co-partnership, or body politic shall be entitled to a greater number than thirty votes. And after the first election, no share or shares shall confer a right of suffrage, which shall not have been holden three calendar months previous to the day of election. Stockholders actually resident within the United States, and none other, may vote in elections by proxy.

II. Not more than three fourths of the directors in office, exclusive of the president, shall be eligible for the next succeeding year; but the director, who shall be president at the time of an election, may always be re-elected.

III. None but a stockholder, being a citizen of the United States, shall be eligible as a director.

IV. No director shall be entitled to any emolument, unless the same shall have been allowed by the stockholders at a general meeting. The stockholders shall make such compensation to the president, for his extraordinary attendance at the bank, as shall appear to them reasonable.

V. Not less than seven directors shall constitute a board for the transaction of business, of whom, the president shall always be one, except in case of sickness, or necessary absence; in which case his place may be supplied by any other director, whom he, by writing under his hand, shall nominate for the purpose.

VI. Any number of stockholders, not less than sixty, who, together, shall be proprietors of two hundred shares or upwards, shall have power at any time to call a general meeting of the stockholders, for purposes relative to the institution, giving at least ten weeks notice, in two public gazettes of the place where the bank is kept, and specifying, in such notice, the object or objects of such meeting.

VII. Every cashier or treasurer, before he enters upon the duties of his office, shall be required to give bond, with two or more sureties, to the satisfaction of the directors, in a sum not less than fifty thousand dollars, with condition for his good behaviour.

VIII. The lands, tenements and hereditaments which it shall be lawful for the said corporation to hold, shall be only such as shall be requisite for its immediate accommodation in relation to the convenient transacting of its business, and such as shall have been bona fide mortgaged to it by way of security, or conveyed to it in satisfaction of debts previously contracted in the course of its dealings, or purchased at sales upon judgments which shall have been obtained for such debts.

IX. The total amount of the debts, which the said corporation shall at any time owe, whether by bond, bill, note, or other contract, shall not exceed the sum of ten millions of dollars, over and above the monies then actually deposited in the bank for safe keeping, unless the contracting of any greater debt shall have been previously authorized by a law of the United States. In case of excess, the directors, under whose administration it shall happen, shall be liable for the same, in their heirs, executors or administrators, in any court of record of the United States, or of either of them, by any creditor or creditors of the said corporation, and may be prosecuted to judgment and execution;

any condition, covenant, or agreement to the contrary notwithstanding. But this shall not be construed to exempt the said corporation, or the lands, tenements, goods or chattels of the same, from being also liable for and chargeable with the said excess. Such of the said directors, who may have been absent when the said excess was contracted or created, or who may have dissented from the resolution or act whereby the same was so contracted or created, may respectively exonerate themselves from being so liable, by forthwith giving notice of the fact, and of their absence or dissent, to the President of the United States, and to the stockholders, at a general meeting, which they shall have power to call for that purpose.

X. The said corporation may sell any part of the public debt whereof its stock shall be composed, but shall not be at liberty to purchase any public debt whatsoever; nor shall directly or indirectly deal or trade in any thing, except bills of exchange, gold or silver bullion, or in the sale of goods really and truly pledged for money lent and not redeemed in due time: or of goods which shall be the produce of its lands. Neither shall the said corporation take more than at the rate of six per centum per annum, for or upon its loans or discounts.

XI. No loan shall be made by the said corporation, for the use or on account of the government of the United States, to an amount exceeding one hundred thousand dollars, or of any particular state, to an amount exceeding fifty thousand dollars, or of any foreign prince or state, unless previously authorized by a law of the United States.

XII. The stock of the said corporation shall be assignable and transferable, according to such rules as shall be instituted in that behalf, by the laws and ordinances of the same.

XIII. The bills obligatory and of credit, under the seal of the said corporation, which shall be made to any person or persons, shall be assignable by indorsement thereupon, under the hand or hands of such person or persons, and of his, her, or their assignee or assignees, and so as absolutely to transfer and vest the property thereof in each and every assignee or assignees successively, and to enable such assignee or assignees to bring and maintain an action thereupon in his, her, or their own name or names. And bills or notes, which may be issued by order of the said corporation, signed by the president, and countersigned by the principal cashier or treasurer thereof, promising the payment of money to any person or persons, his, her, or their order, or to bearer, though not under the seal of the said corporation, shall be binding and obligatory upon the same, in the like manner, and with the like force and effect, as upon any private person or persons, if issued by him or them, in his, her, or their private or natural capacity or capacities; and shall be assignable and negotiable, in like manner, as if they were so issued by such private person or persons--that is

to say, those which shall be payable to any person or persons, his, her, or their order, shall be assignable by indorsement, in like manner, and with the like effect, as foreign bills of exchange now are; and those which are payable to bearer, shall be negotiable and assignable by delivery only.

XIV. Half yearly dividends shall be made of so much of the profits of the bank, as shall appear to the directors advisable; and once in every three years, the directors shall lay before the stockholders, at a general meeting, for their information, an exact and particular statement of the debts, which shall have remained unpaid after the expiration of the original credit, for a period of treble the term of that credit; and of the surplus of profit, if any, after deducting losses and dividends. If there shall be a failure in the payment of any part of any sum, subscribed by any person, co-partnership, or body politic, the party failing shall lose the benefit of any dividend, which may have accrued, prior to the time for making such payment, and during the delay of the same.

XV. It shall be lawful for the directors aforesaid, to establish offices wheresoever they shall think fit, within the United States, for the purposes of discount and deposit only, and upon the same terms, and in the same manner, as shall be practised at the bank; and to commit the management of the said offices, and the making of the said discounts, to such persons, under such agreements, and subject to such regulations as they shall deem proper; not being contrary to law, or to the constitution of the bank.

XVI. The officer at the head of the treasury department of the United States, shall be furnished, from time to time, as often as he may require, not exceeding once a week, with statements of the amount of the capital stock of the said corporation, and of the debts due to the same; of the monies deposited therein; of the notes in circulation, and of the cash in hand; and shall have a right to inspect such general accounts in the books of the bank, as shall relate to the said statements. Provided, That this shall not be construed to imply a right of inspecting the account of any private individual or individuals with the bank.

Sec. 8. And be it further enacted, That if the said corporation, or any person or persons for or to the use of the same, shall deal or trade in buying or selling any goods, wares, merchandise, or commodities whatsoever, contrary to the provisions of this act, all and every person and persons, by whom any order or direction for so dealing or trading shall have been given, and all and every person and persons who shall have been concerned as parties or agents therein, shall forfeit and lose treble the value of the goods, wares, merchandises, and commodities, in which such dealing and trade shall have been; one half thereof to the use of the informer, and the other half thereof to the use of the United States, to be recovered with costs of suit.

Sec. 9. And be it further enacted, That if the said corporation shall advance or lend any sum, for the use or on account of the government of the United States, to an amount exceeding one hundred thousand dollars; or of any particular state to an amount exceeding fifty thousand dollars; or of any foreign prince or state, (unless previously authorized thereto by a law of the United States,) all and every person and persons, by and with whose order, agreement, consent, approbation, or connivance, such unlawful advance or loan shall have been made, upon conviction thereof, shall forfeit and pay, for every such offence, treble the value or amount of the sum or sums which shall have been so unlawfully advanced or lent; one fifth thereof to the use of the informer, and the residue thereof to the use of the United States; to be disposed of by law and not otherwise.

Sec. 10. And be it further enacted, That the bills or notes of the said corporation, originally made payable, or which shall have become payable on demand, in gold and silver coin, shall be receivable in all payments to the United States.

Sec. 11. And be it further enacted, That it shall be lawful for the President of the United States, at any time or times, within eighteen months after the first day of April next, to cause a subscription to be made to the stock of the said corporation, as part of the aforesaid capital stock of ten millions of dollars, on behalf of the United States, to an amount not exceeding two millions of dollars; to be paid out of the monies which shall be borrowed by virtue of either of the acts, the one entitled "An act making provision for the debt of the United States;" and the other entitled "An act making provision for the reduction of the public debt;" borrowing of the bank an equal sum, to be applied to the purposes, for which the said monies shall have been procured; reimbursable in ten years, by equal annual instalments; or at any time sooner, or in any greater proportions, that the government may think fit.

Sec. 12. And be it further enacted, That no other bank shall be established by any future law of the United States during the continuance of the corporation hereby created; for which the faith of the United States is hereby pledged.

APPROVED, February 25, 1791.

INTRODUCTION

It has been a pleasure to work in and on the First Bank of the United States. Walking up to its great Portico each morning and entering the great space of its rotunda was a continually inspiring experience. Beyond having our offices there, the assignment to study its physical history for this report has sharpened our appreciation of the building.

Formal National Park Service architectural research on the First Bank of the United States began in 1958 under Charles E. Peterson, Supervisory Architect, Historic Structures, Eastern Office of Design and Construction. The architects joined the staff historians of Independence National Historical Park in gathering material on the original appearance of the building. Physical investigation began during the process of making a set of measured drawings for the Historic American Buildings Survey. It is upon these initial efforts and the subsequent Historic Sturctures Reports and drawings listed in Appendix A and B that our investigation and report are based.

We appreciate also the help of Architects Robert G. Stewart, Woodrow W. Wilkins, Lawrence J. Bond and Norman M. Souder. Historian David A. Kimball, Archeologist B. Bruce Powell, Museum Conservator Anne F. Clapp, and Curator Frederick B. Hanson all contributed by

collecting documented information, by investigating below grade, and by suggesting preservation procedures for the tympanum carving. The reconstruction of the Third Street gates and their stone piers was done by the Landscape Division of the Eastern Office of Design and Construction in consultation with the Park architectural historian and talented renderer, Architect William M. Campbell.

The programmed restoration of the First Bank started under the most recent of three National Park Service reorganizations. The previously mentioned Historic Structures, Division of the Eastern Office of Design and Construction was regrouped as the Office of Archeology and Historic Preservation, and finally as the Historic Preservation Team of the Denver Service Center. Thus, architectural drawings, photographs and reports on this and other buildings in Independence National Historical Park may have title blocks with any of the above organizational headings.

Under the Denver Service Center, the practice was started of contracting private architectural firms to produce final contract documents for restoration projects. The Philadelphia firm of Day & Zimmermann Associates, with George P. Wilman as Project Architect, was chosen to produce the drawings and specifications for the adaptive restoration of the First Bank (see specifications and drawings—Denver Serivce Center 391/25006 sheets 1-91).

The Philadelphia Field Office of the Historic Preservation Team, DSC, compiled previous research material, and conducted some physical investigations of the building's fabric. The authors wish to express appreciation to Architect Michael Adlerstein, Mary Mish and Frank Welsh for the time and thought which they contributed to this project. The added interest of Architect George P. Wilman and the continued advice of Charles E. Peterson (now retired from the NPS) led the way to several more physical probes and consequent discoveries. Indeed the National Park Service architects worked very closely with the contract architects in making detail restoration decisions.

Though the production of this formalized Historic Structures Report was delayed beyond the usual NPS procedure, the structural history and our recommendations for the restoration of the First Bank were freely transmitted to the contract architects, the administration of the Park and the Mid-Atlantic Regional Office for guidance in formulating the restoration program.

Penelope Hartshorne Bactheler,
Restoration Architect
Sarah M. Sweetser, Architectural Asst.
December 18, 1974

STRUCTURAL HISTORY

The history of the building which was built to house the First Bank of the United States begins in 1794 when property was acquired on Third Street below Chestnut. The choice of the site was probably influenced by its availability, following the ravaging fire, May 12, 1793,[1] when much of the property in this area was razed and hence cleared. The architect of the structure was a talented man named Samuel Blodget, Jr. Originally from New Hampshire, he married the daughter of the first Provost of the University of Pennsylvania and became a resident of Philadelphia and Washington, where he wrote several books on economics. His amateur interest in architecture was well enough respected so that in 1793 he was appointed "Superintendant of the Buildings" for Washington.[2]

For the First Bank of the United States, his design "was possibly the first important building of the classic example in marble erected in this country."[3]

The carving of the mahogany eagle in the tympanum and the sculpting of the Pennsylvania Blue Marble facade was done by Claudius LeGrand of Philadelphia.[4]

When the scaffolding was finally removed in December 1797, the local press furnished the following description:

> Wednesday morning last the workmen at the new Bank of the United States struck their scaffolding, and unfolded the

> novel and enchanting scene of a truly Grecian [sic] Edifice, composed of American white marble.
>
> The entrance to this building is by a flight of nine steps through a Portico . . ., the Pediment is supported by six columns of the Order of Corinth. . ., ten columns in Relievo of the same order and proportions support the principal front; and the tympan of the pediment is adorned with the arms of the United States; there is one door in the centre with windows in each of the interstices; all the ornaments are distinct, graceful and appropriate. . . ."[5]

An impressive symbol of the new country's struggle for financial independence, the First Bank was also of contemporary architectural interest. An 1811 guide book was again to describe it:

> The building occupied by the bank of the United States, was commenced in 1795, and finished in 1798. It was the first public building ever erected in Philadelphia, with portico and pillars. It is a square structure, ninety-six feet in front and seventy-two deep. The east front, on Third Street, consists of six columns, the angle pairs being coupled. The front wall extends beyond the portico, on each side, in two wings, and is ornamented with pilasters. The columns, which are of the Corinthian order, are of marble, and fluted; the front of the building is also marble. The cornice and pediment are of wood work, highly enriched. The tympanum is decorated with the American eagle. The front is said to be nearly a copy of the Dublin Exchange. The sides and rear walls are of brick, and excepting the four external walls and the vaults, the entire structure is of wood. The roof is covered with copper. [6]

The facade appears today as it did in 1797 and 1811, though the marble has become dirty and deteriorated through time. Some of the original sheet copper roofing remains intact on the portico roof. (See "Drawings".)

The floor plan of the first floor was centered on an east-west axis connecting the front and rear entrances. Inside the front doors, a double stair lead up the north and south walls of the vestibule to the second floor. Likewise, there was a vestibule at the rear door (see Illustrations 10 and 11) containing a small winding stair to the basement along the north wall.[7] The principal architectural feature of the main banking room was a large barrel vault supported by eight columns which created a central corridor between the two lobbies (see Illustrations 9 and 10).

In keeping with the facade, the architectural style of the interior was Corinthian. Two bank vaults located in the far northwest and southwest corners were the only rooms known to have been enclosed in the first floor plan.[8] The President's office was in the alcove created between the west vestibule and northwest bank vault, and may have been open to the main banking room (see Illustration 12).

Little is known of the plan of the second floor. However, due to the height of the barrel vault downstairs, the spaces must have been divided in the center but joined at the front stair landing and possibly along a catwalk at the west wall large center window.

The position of the elaborate mantlepieces in the large rooms on the south side, indicate that the important offices were located here (see Illustration 13).

Nothing is known of the third floor plan. The number of windows and the presence of finished wood trim suggest it served as more than storage space.

Built for structural support, as well as secure storage, the most unique interior features of the First Bank building are the vaults in the cellar. The space is divided by two-foot thick stone walls forming the basis for four adjoining north-south brick barrel vaults bisected by a groin vaulted east-west corridor. The interior stair was located at the west end of this hall, and was flanked by four smaller rooms opening onto the barrel vault which comprised the north-south corridor. A flight of stone steps at either end of this hall led to exterior bulkhead doors. Large strap-iron arched gates secured these entrances with double padlocked hasps. The remaining half of the cellar was subdivided into four vaults with doors opening onto the east-west corridor. Each vault had a system of two iron doors for its single doorway; one hung on pintles inside the wall, the other outside. The keepers for the doors box locks were of the same wrought iron strap tied into the wall, effectively preventing the outer door keeper from being forced open. Also, the outer door was hung recessed in a reveal such that the door could not be pried off. And a projecting plate bolted onto the upper edge of the door prevented it being lifted off its pintles. The sill and lintels were of single stones. Barred windows provided ventilation.

The floors were brick set flat in sand in a running bond. Whitewash provided the finish coat on the stone and brick. Here the monetary backing for the United States economy was stored until 1812, when the bank was not rechartered. Conceivably, these were the most impenetrable rooms in America at the time.

In 1812, Stephen Girard, a merchant, bought the building for his own banking house. This occupancy saw an enhancement of the bank's grounds, and a development of the neighboring property along Third Street.

Girard acquired property to the west of the Bank extending to Hudson's alley by 1800 and by 1817 had a large enough garden to warrant workmen's bills for "Stares that ledes down from the Banck to the Tarras," "stares that ledes down from the terras to the garden," an "ornemantal pece at the top of the gate," and "scrowled worck for the lamp"[9] presumably over the rear door to the Bank.

Further iron work was required on the two gates at either side of the facade on Third Street[10] and in 1828, George Swope received payment for "gilding stars and eagle at the gate."[11]

This final touch was probably completed after Girard had addressed himself to some problems at the facade. Stephen Simpson in 1878 wrote a biography after Girard's death in 1831 in which he exaggerates the work done by Girard at the Bank.

> . . . for Mr. Girard never did things by halves, or failed to detect and remedy any want of congruity, so that he immediately perceived that the new regulation of the street would require the readjustment of the steps of the portico and his banking-house; which he caused to be demolished, then reset, and the pillars of the portico as well as the whole front of the buildings, cleansed to their original brightness. [12]

It was also at this time that Girard had the nosings removed from the steps and some of the portico paving replaced.[13]

Girard died in 1831, but the building was retained as banking headquarters for the Girard Bank of Philadelphia on April 3, 1832. Plans for updating the structure were evident when, in December of 1845, Thomas U. Walter, the architect, was commissioned to do drawings on the First Bank. (See Illustrations 3 and 4) These proposed alterations were not carried out and there seem to have been no other major changes in the fabric of the building at this time. Rather, the Directors of the Bank settled for a cosmetic "face lift," as an article in the May 16, 1846 Public Ledger describes:

> Workmen were yesterday engaged in erecting scaffolding in front, for the purpose of scrubbing the marble, of which it is composed, with sand and water.

A few days later, on May 19th, the Public Ledger ran a related article:

> The Girard Banking House.—As this building is now undergoing the purifying process of whitewashing, scrubbing, &c., would it not be advisable on the part of the owners, the city, or the tenants of the bank, to have the north and

> south sides rough-cast or plastered in imitation of marble? The building has been a standing joke to connoisseurs in architecture even since it was built, and it certainly looks odd with its richly ornamented marble front and plain brick sides. It has been aptly likened to a white satin vest with a red flannel back, and as the bricks are getting very dark, it would be well to obviate a comparison between them and dirty flannels. [14]

The suggestion was well taken and by June 1, the paper was pleased to relate:

> Workmen are engaged in giving the sides a coat of white which will make them at least seem to be in harmony with the marble front."

In 1864, the Girard National Bank was authorized to transact business nationally and soon thereafter plans were reviewed to modernize the Bank. Though our knowledge of the original interior of the main and upper floors of the building is limited, it is apparent from exterior photographs that between 1869 and conceivably the Centennial celebrations in 1876, the major renovations were made. In order to admit more light into the main banking-room with its great barrel vault, the side and rear windows were heightened by about 18 brick courses. Shutter pockets were cut into the window jambs and interior shutters were added throughout the building. Other changes from the late Georgian to Victorian wood trim were made, most notably in the entrance where the original stair form remained but the railing and wainscoting were replaced. (See Illustration 8.)

On the exterior, the general appearance of the building was subtly altered by the enlarged side and rear first floor windows and the addition of grills on all the openings on the first two floors. The stone gate posts and Girard's iron gates were removed and the brick paving around the Bank was relaid with flagstone.

Perhaps prosperity at the turn of the century and the development of electrical, plumbing and heating systems encouraged the dramatic renovations in 1901-1902 by James H. Windrim, Architect. At this time the 18th Century interior plan was abandoned and no original partitions above the cellar level remained. The new design focused on a glass dome 35 feet in diameter, extending 44 feet above the main floor, which offered natural light to the center of both the main banking floor (86' x 67') and the upper floors. At the west entrance, a circular stair encompassing an open-cage elevator provided direct vertical access to all floors including the basement. The installation of this new stair meant a considerable change in the exterior appearance of the west wall's central bay. Girard's rear entrance platform and steps were removed and the doorway was lowered to grade. The large window above the door which had lighted the first floor barrel vault and the small central third floor window were replaced by two tripartite windows between floor levels.

However, except for the new stair, the basic plan of the basement vaults was retained, though further compartmentalized to provide employee facilities and storage. The original brick flooring was torn up for the introduction of plumbing lines; the new finish flooring was cement and marble.

On the first floor, as the southwest corner vault was removed, a new window was created on the west facade to accommodate the new President's office in this corner. The corresponding original vault in the northwest corner was replaced by a "Harveyized steel," "bomb and bullet-proof" vault.[15]

Originally, the west exterior elevation had three windows to the north and south of the central bay at the second and third floors. And at the first floor, there were only two windows to each side of the rear entrance with brick inset panels above their marble lintels, echoing the marble articulation on the east facade. The corners at this level were originally blank walls, due to the locations of the interior vaults. But the brick inset panels were there anyway aligned with the corner windows on the floors above, and maintaining the rhythm and symmetry of the design (see "Drawings").

Windrim's changes introduced at the south corner a new window with a marble lintel in keeping with the position and character of the existing fenestration.

As his predecessors, Windrim was sensitive to maintaining continuity with the building's original design. He did not alter the appearance of the east facade, and did not deviate from the character of the structure as presented there. The use of the Corinthian order on the interior was modeled after the columns and entablature which had supported the original barrel vault. Individual decorative elements such as the fireplace mantlepieces in the southern rooms of the second floor were reused (though inexplicably in reversed location--see Illustration 13 and "Drawings"). Original window trim remained intact and was carefully copied where needed, ie. at the new tripartite windows at the stair.

But in keeping with the fashion of his own time, Windrim used cast plaster extensively to lend classical embellishment to the new structural members which supported the dome and the first and second floors. Marble wainscoting surrounded the first floor walls and stair.

The result of this work was a successful renovation which injected new life into the utilization of the structure. Within ten years, however, more space was needed. In 1912, James Windrim designed an addition extending the width of the west wall, one story high, including bathroom facilities in the basement.

Between the construction of the wing and 1926 when the Girard National Bank vacated the building, two counterweights for the doors

of the first floor vault were installed in the basement. These were operated from outside the Bank vault by a hand-powered worm gear which extended through the first floor to a system of gears controlling large rectangular weights located in pits in the cellar floor. The vault doors were balanced by the weights, and were moved vertically through slots in the floor. When the vaults were open, the weights were raised and the lowered doors would be visible in the cellar. Conversely, when the weights were lowered, the doors would be lifted through the floor, closing the vaults. One such device, complete with pit was located under the eastern door of the Safe Deposit Vault. In the cellar plan, it fit in front of the gate and stair to the north bulkhead. To install the equipment for the south door to the vault, the stone wall dividing the original two northwest corner vaults had to be torn out. Besides Windrim's dismantling of the 18th Century cellar stair, this was the only other removal of fabric from the original cellar plan.

In 1926, the Girard National Bank consolidated with the Philadelphia National Bank and moved out of the First Bank building. It remained unoccupied until 1930 when the American Legion leased it from the Board of City Trusts. In 1944, the structure became the principal offices for the Board of City Trusts. Further 20th Century modifications to the building were minor. A mezzanine level was built

above the Safe Deposit Vault, adding a second story to the northwest half of the 1912 addition. The open-cage elevator was enclosed and new cab installed in 1936. In the flourish of economic growth of the post-war era, the main banking-room fixtures were modernized and the second floor was embellished with wood trim "panels" in the Directors' and Conference rooms.

When the National Park Service acquired the building in 1955, attempts at restoration began. In 1959-60, the gray paint was removed, as recommended in the Interim Historic Structures Report, First Bank of the United States, Part I, July 1959. The original brick color was now exposed, but serious damage had been done unknowingly. The acidic wash used in the paint removal had removed the fired surface from the brick and had exposed the softer insides to weather. In September 1960, a coat of GE "Silaclear" was given the brick surfaces. Also during that fall, repair work was done on the sheet metal cornice, gutters and balustrade. The pediment's wood cornice and tympanum underwent paint removal and repair. The carving, comprised of glued blocks of mahogany, was in surprisingly good condition.

At this same time, student teams made measured drawings of the building for the Historic American Buildings Survey and architectural research began.

In 1967, the main floor was converted into a temporary visitor center. The exhibit space was carefully planned so as not to interfere with the existing structure.

FOOTNOTES

1. Philadelphia, Historical Society of Pennsylvania, Stauffer Collection, Vol. 12, p. 815.

2. Charles E. Peterson, Supervising Architect, Historic Structures, Eastern Office, Division of Design and Construction: letter to Division of Manuscripts, Massachusetts Historical Society, Boston, Mass., October 30, 1956.

3. Charles E. Peterson, Report draft, "The First Bank of the United States," January 11, 1952.

4. Wettereau, James O., "America's Oldest Bank Building," Historic Philadelphia. Issued as Vol. 43, Part I of the Transactions of the American Philosophical Society, Philadelphia 1953, p. 79. See also: Aurora: General Advertiser, January 2, 1798, p. 4, col. 1.

5. Claypoole's American Daily Advertiser, Dec. 25, 1797. Phila., Pa.

6. James Mease, The Picture of Philadelphia; Philadelphia, 1811, pp. 320-321.

7. Evidence of this stair was recorded on sheet 2 of 1958 drawings now in "Historic Structures" office.

8. Philadelphia, Girard College, Girard Papers, "Papers of Late Bank of U. S.," Entry May 15th, 1812, Wm. Willson's Bill, "To work removing silver from upper to lower vaults. . .$7.00."

9. Ibid., "Letters Received, 1817," Box V, No. 1552, "Peter Monet Bills for Iron Work, Done as and for Stephen Girard's Bank, So. 3rd St."

10. Ibid., "Letters Received, 1827," No. 736, July 20.

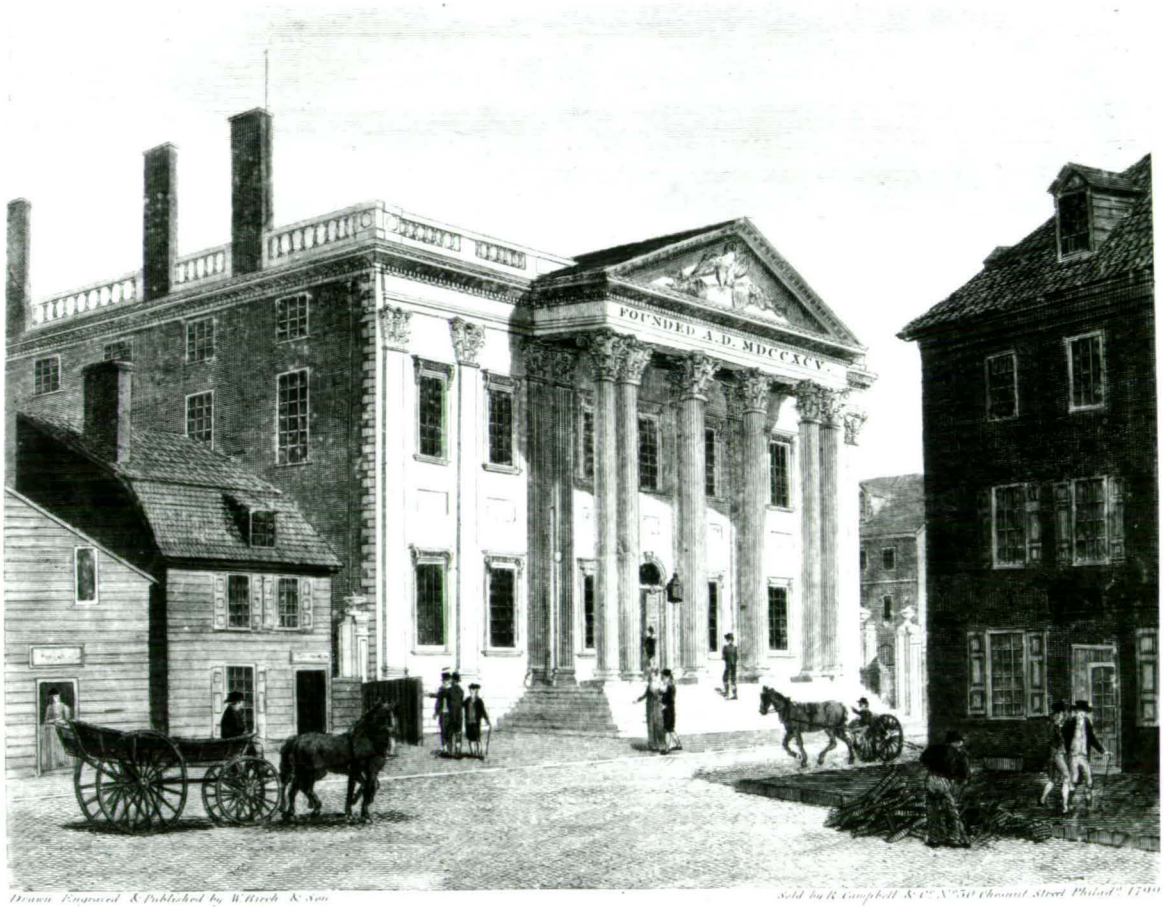
11. Ibid., "Journal," December 31, 1828.

12. Stephen Simpson, Biography of Stephen Girard, Philadelphia, 1832, pp. 173-174.

13. Philadelphia, Girard College, Girard Papers, "Bills and Receipts," Dec. 1828, as follows: "Marble work on banking house:
    1. To taking down the steps, cutting off the mouldings, dressing them over square and replacing them, measuring 524 lineal feet.
    2. 161'-6" lineal new steps
    3. New flagging in pavement of portico, 465'-6"
    4. Facing over old pavement of portico, 271'-6"
    5. Miscellaneous: 1 gate sill, 2'-9" lineal
       2 door jambs, 12'-6" lineal
       1 door lintel and cornice

14. See also: Wettereau, p. 72. Apparently, Samuel Blodget himself had decided "the brick sides are an injurious deviation."

15. Josiah Granville Leach, The History of the Girard National Bank, 1832-1902, Lippincott Co., Philadelphia, 1902, p. 71.



Drawn Engraved & Published by W. Birch & Son

Sold by R. Campbell & Co. N.° 50 Chesnut Street Philad.ª 1799

BANK OF THE UNITED STATES, in Third Street ***PHILADELPHIA.***

FRONTISPIECE

"Bank of the United States, in Third Street Philadelphia." Drawn, Engraved and Published by Wm. Birch & Son, sold by R. Campbell and Co. No. 30 Chestnut Street, Philadelphia, 1799 INHP Negative 7213.

At the close of the 18th Century, William Birch recorded Philadelphia in a series of 28, or so, popular views. His rendering of the First Bank of the United States, drawn within two years of its opening, shows the building appeared much as we know it today. Characteristically, Birch omits some detail, but includes others that increase our knowledge of specific original exterior elements necessary for an accurate restoration.

In particular, this illustration shows that the urn-topped gate posts were in place by 1799, and that a watchbox was located at the northeast corner of the building. On the south wall, there was a rain conductor head atop a straight downspout which fitted behind the stone pier, and a lightening rod attached to the southeast chimney. Note the nosings on the portico steps that were removed by Stephen Girard in 1828. Over the front entrance was an hexagonal lantern suspended by a scrolled bracket which looks suspiciously similar to the one found in the same position today.

Birch's perspective, drawn from the diagonal angle of Dock Street, was popular with artists in latter years: Klinckowstrom, c. 1824 (INHP 519A), George Strickland and G. Childs, c. 1829 (INHP 532), and C. Burton, 1831 (INHP 514). The architect William Strickland presented his design for the Philadelphia Merchants Exchange Building with the First Bank of the United States (by then Stephen Girard's Bank) in the background, again the same vantage point used by Birch some 30 years earlier (INHP photostat 39,098).

In each of these views, the urned gate posts flank simple, arched iron gates. Apparently from documentation in the Girard Papers, these gates were replaced in 1827-28 with eagle-pedimented gates. One of this pair survives at the Henry F. duPont Winterthur Museum, and was copied to make up the pair installed by the National Park Service in 1960.

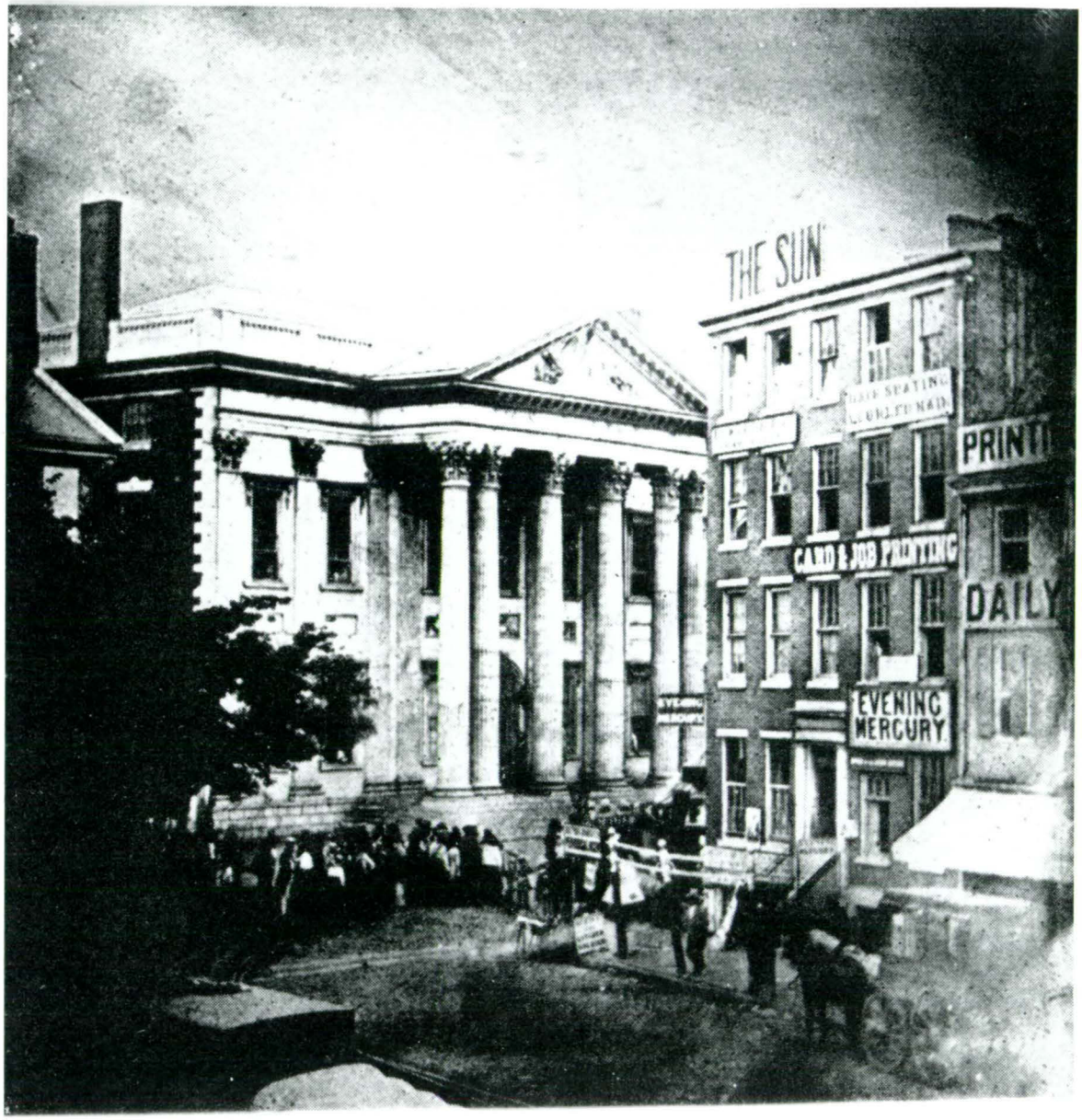

THE SUN
CARD & JOB PRINTING
DAILY
EVENING
MERCURY

ILLUSTRATION 1

"Northeast Corner, Third and Dock Streets: Girard Bank at the Time the Latter was occupied by the Military During the Riots, 1844." Proceedings of the Numismaticance Antiquarian Society of Philadelphia, 1928-1935, vol. 32, Philadelphia 1935, "Philadelphia as Seen Before the Civil War," by Dr. S. W. Woodhouse, Jr., p. 167, photo said to be by Mr. Langenheim. NPS Negative, Historic Structures 157.2784.

This is the earliest known photograph of the First Bank building and shows the light marble facade and stone lintels contrasting with the red brick side walls. This original condition was not popular and within the next two years, on June 1, 1846, The Public Ledger was happy to report that the "city authorities have adopted our suggestion in relation to painting the sides of the Girard Banking House. Workmen are engaged in giving the sides a coat of white paint which will make them at least seem to be in harmony with the marble front."

For knowledge of the original roof balustrade, chimneys and roof form, this photograph establishes proportions, slopes and detail. It appears that by this period the hexagonal lamp shown by Birch in 1799-1800 (see the Frontispiece) has been replaced by a new hexagonal, tapered side lantern, apparently the brass lamp which hangs over the entrance today.

Unfortunately, the whereabouts of the original negative of this view is unknown, and much detail, therefore, remains obscure.

VIEWS IN NORTH AMERICA.

Taken from nature, June 1850 by the patent Talbotype process, by
W. & F. Langenheim, 210 Chestnut St Phila, & 247 Broadway N. Y.

Series I Penn.ª No. 5.



NORTH VIEW OF PHILADA

from the Statehouse Steeple S.E.

ILLUSTRATION 2

View looking east from the State House steeple including the First Bank of the United States, labeled "VIEWS IN NORTH AMERICA." Taken from nature, June 1850, [sic] by the patent Talbotype process, by W. and F. Langenheim, 216 Chestnut Street, Phila., and 247 Broadway, N. Y. Series I Penna. No. 5 NORTH [sic] VIEW OF PHILAD^{A} from the Statehouse Steeple." The original survives in print form at the Missouri Historical Society. INHP copy negative 2099.

The west wall of the First Bank of the United States is visible just above the center of the photograph. The label of the photograph dates it inaccurately. The caption of Illustration 1 establishes that the side and (we assume) rear walls were painted "white" in 1846 to match the stone front facade. This photograph must have been taken prior to 1846, as the color value of the west brick wall is very dark, obviously, not yet painted.

Although the image of the First Bank is not distinct, one can see that the west roof balustrade was made up of three major panels flanking two chimneys, the center panel of which had three subdivisions, and the north and south panels, two subdivisions each.

The major contribution of this photograph is that it captured as much of the west wall fenestration as it did. Shown clearly are the third floor windows (seven in all). Directly beneath the three northernmost third floor windows are normal second floor windows. Under what is the center third floor window, however, the second floor fenestration changes. This change reflects the principal feature of the original interior of the building. The plan of the first floor centered on an east-west barrel vault, the maximum height of which was approximately at the level of the normal second floor window meeting rails (see Illustrations 9 and 10). The principal problem was to introduce maximum light into this space. To do so, either two windows or a large single window were installed in the center of the west wall at the location of the top of the vault. The sill would have been at the level of the second floor.

In the photograph, central keystones can be discerned in the normal stone window lintels. However, in visual relation to these, the conformation of the lintel for the central opening does not follow the standard pattern. This indicates that this window was altogether different, presumably a double or tripartite window with

a large centered keystone on a stone lintel. Unfortunately obscured by Carpenters' Hall and a building east of it, the exact style of this window remains unknown. No other records of it have been found.

There is a limited possibility that a palladian window may have been located here. Structurally, such a design would have fit, but more of the curved lintel should be showing in the picture if this had been the case.

However, from what this photograph does show, there is basis for a reasonably accurate restoration of this west facade to its original appearance.

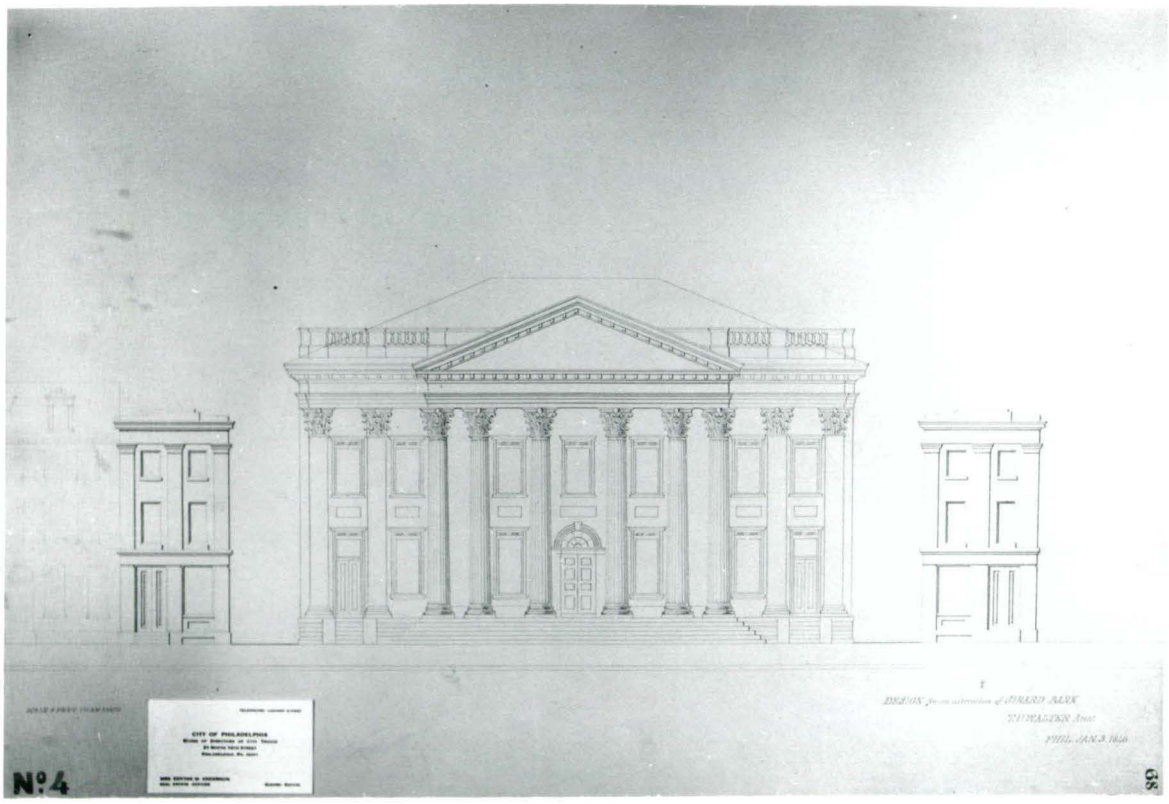

CITY OF PHILADELPHIA
DESIGN for an alteration of GIRARD BANK
PHIL. JAN 3. 1846
No. 4
68

ILLUSTRATION 3

"DESIGN for an alteration of GIRARD BANK, T. U. WALTER Archt. PHIL. Jan. 3, 1846." Manuscript at City of Philadelphia Board of Directors of City Trusts, 21 South 12th St., Philadelphia, Girard Estate. NPS Negative, Historic Structures 157.2820A.

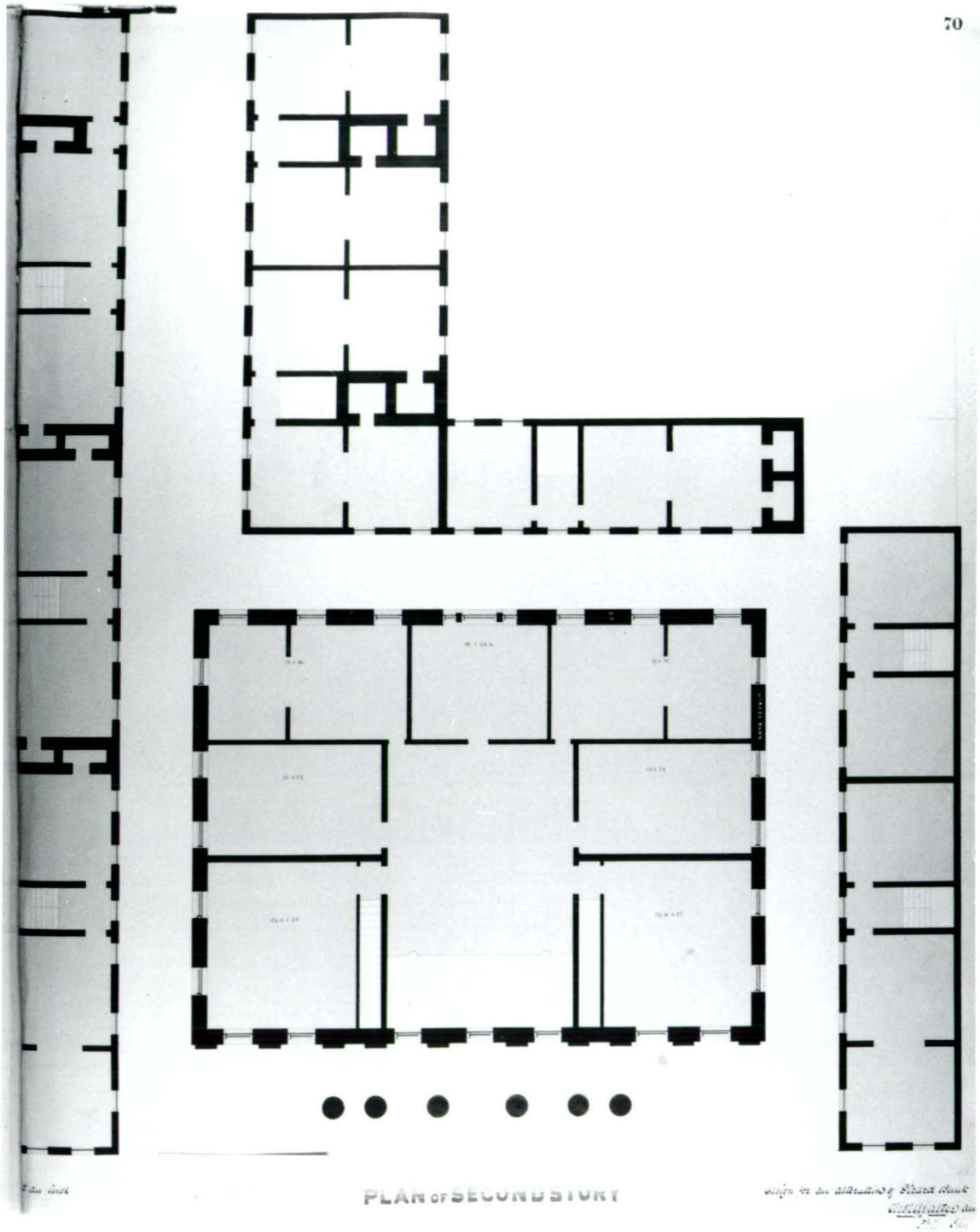
Walter wrote in his diary[1] on December 3, 1845; "Had an interview with the committee on the Girard Bank, and agreed to make drawings and an estimate for $50." And on December 30, 1845, he wrote; "Commenced drawings for Girard Bank." On Jan. 5, 1846 he wrote; "Finished drawings for Girard Bank," and on Jan 6; "Wrote letter to Buildg. Com. Girard Bank."

Despite the posthumous fame of the author, Thomas Ustick Walter, his alteration proposed was happily not carried out.

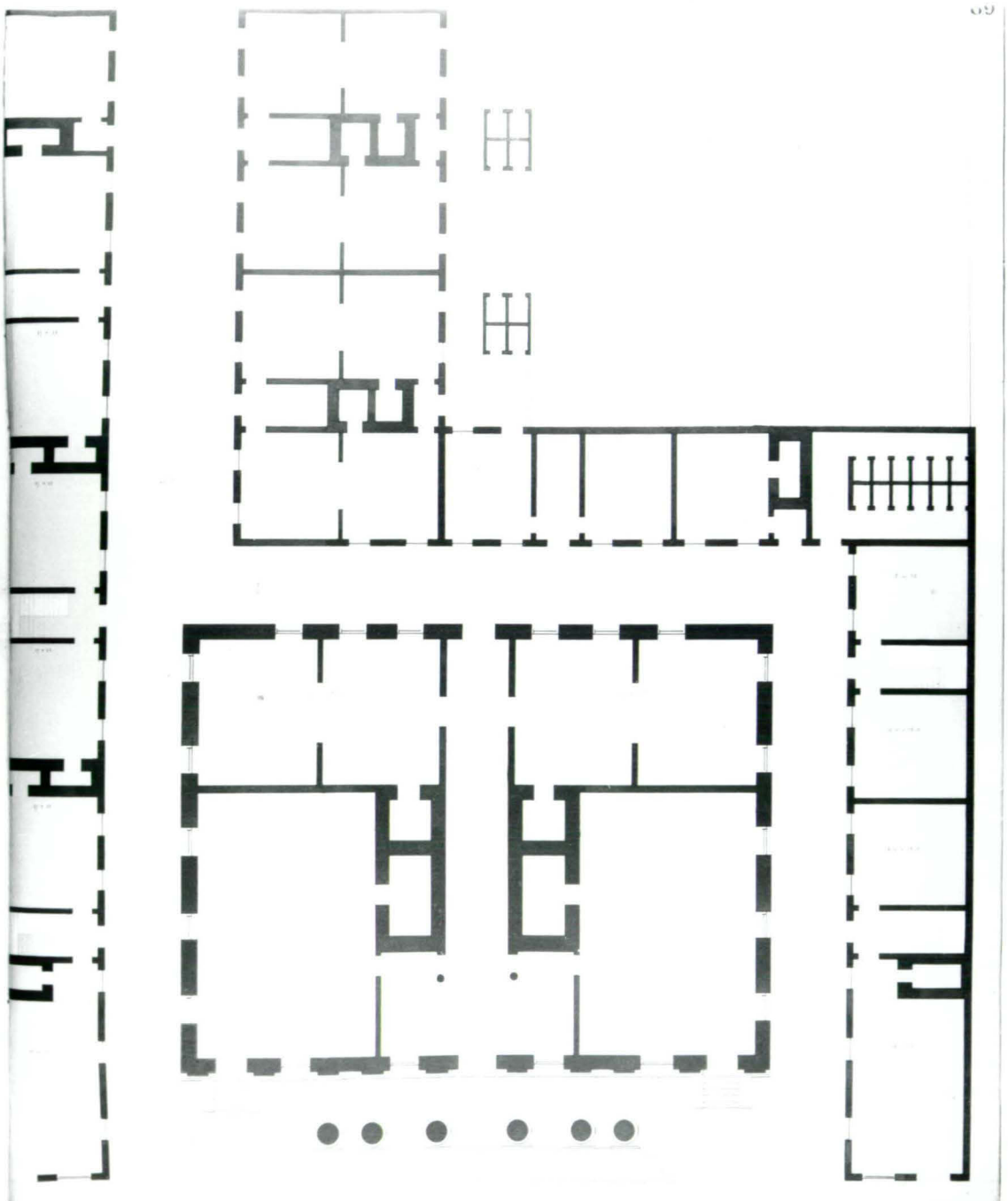
The floor plans (Illustration 4) show the introduction of isolated side offices into which he proposed direct access by changing the outside windows to doors.

The accuracy of the drawing is unreliable. But this is the earliest confirmation of four panel doors at the original entrance.

1. T. U. Walter Diary, 11/25/1845 to 12/31/1848, personal papers of T. U. Walter, private collection, Denver, Colorado. Courtesy of Robert B. Ennis, Philadelphia.



PLAN of SECOND STORY



PLAN OF FIRST STORY

ILLUSTRATION 4

"Design for the Alteration of Girard Bank, Tho. U. Walter Archt Phil: Jan [5] 18[46]."

"PLAN OF FIRST STORY," NPS Negative, Historic Structures 157.2820-E

"PLAN OF SECOND STORY," NPS Negative, Historic Structures 157.2820-B.

Manuscripts at, City of Philadelphia Board of Directors of City Trusts, 21 South 12th St., Philadelphia, Girard Estate.

Thomas U. Walter proposed drastic changes to the interior of the first floor of the Girard Bank. Except for retaining the original double stairway flanking the main entrance, his plan would have done away with the original east-west barrel vault (see Illustrations 9 and 10). His motive, like that of the change which did occur in 1902, may have been based on the difficulty of lighting this inner space of a large, almost square plan. Walter moved all active spaces to the periphery of the building, filling the center with service spaces i.e., vaults, and corridor. The front side offices he separated from the rest of the building, creating direct access from Third Street with new doorways.

Not enough is known of the original second floor plan to be able to comment on the extent of Walter's renovations.

What is most interesting, however, is the fenestrations of the west facade. At the first floor, Walter shows the original center doorway flanked by groups of three windows, one more than we believe was actually there. However, he does correctly reflect the blank wall areas at the north and south corners beneath the outer second floor windows. We believe these blank walls were due to the backs of bank vaults originally located in these corners. Physical evidence of this was found during our investigations at the north corner.

The fenestration shown by Walter on his second floor plan could be the original. As discussed in the caption for the pre-1846 view of the west facade (Illustration 2), the center fenestration was apparently large and could well have been the tripartite broad window shown on Walter's drawing.

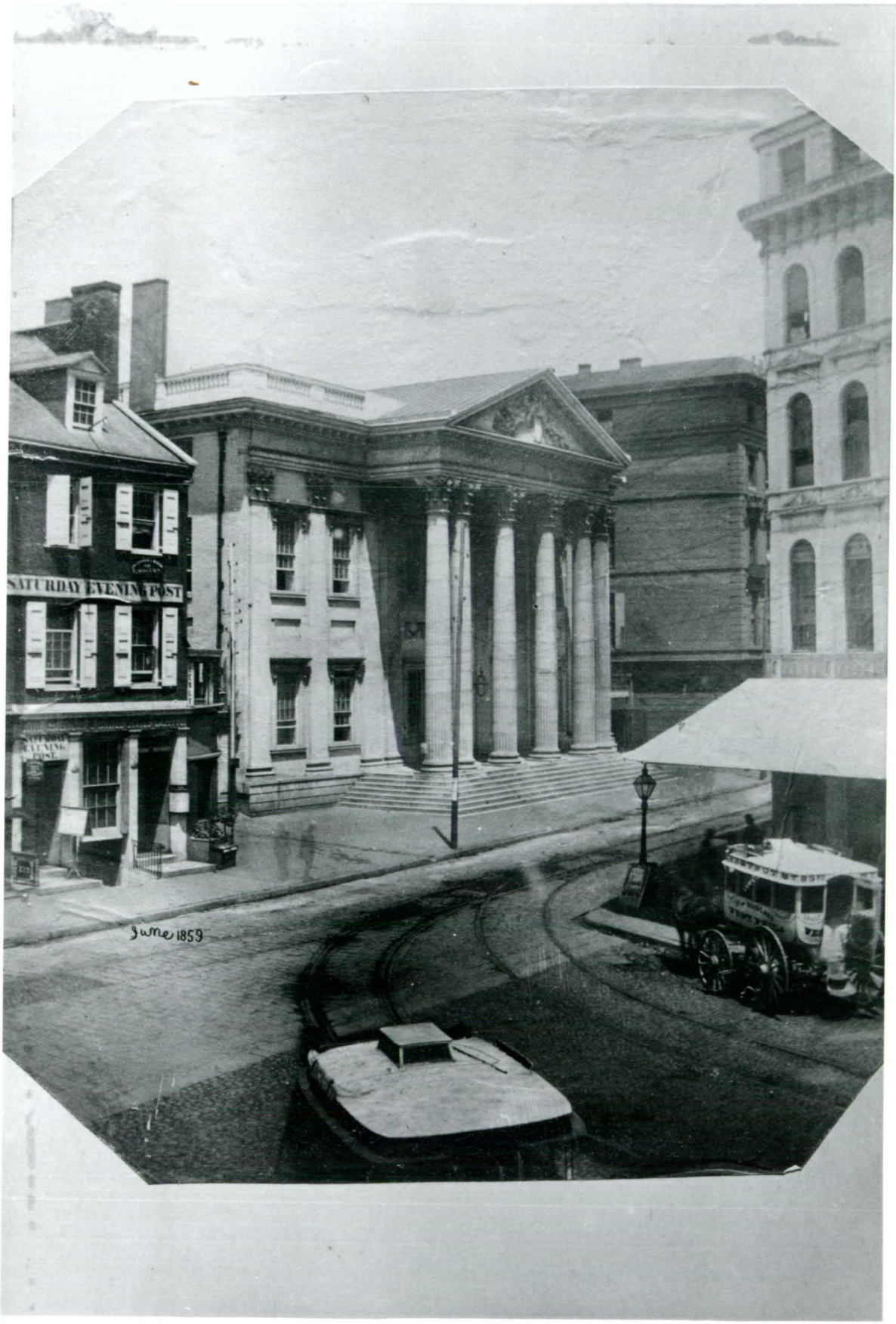

SATURDAY EVENING POST
June 1859

ILLUSTRATION 5

First Bank of the United States, June 1859, INHP Museum Collection Cat. No. 7709, INHP Negative 9485. This and two similar views of the same period offer clear photographic detail of the building as it appeared in the mid-19th Century. (INHP Negatives 2018 and 2102).

All show that the side wall first floor windows were of the same height as those facing east. Likewise, above each window recessed panels match those on the east facade. These views also show the front steps lacking the nosings which Stephen Girard had removed. The southeast downspout is shown descending straight down between the building and the adjacent gate post. Obviously the stone cornice of the post was cut out to let the downspout pass. Unfortunately, this straight forward solution was ignored during the 1960 National Park Service installation of the reproductions, when the downspouts were offset away from their original position to avoid the new posts.

The balustrade and chimney details are even clearer in this view than in the others mentioned above. There are 10 full and 2 half balusters in each of the east balustrade panels and 13 full and 2 half balusters in the southeast panel. The number of balusters in the next south panel is controlled by the distance between the chimneys.

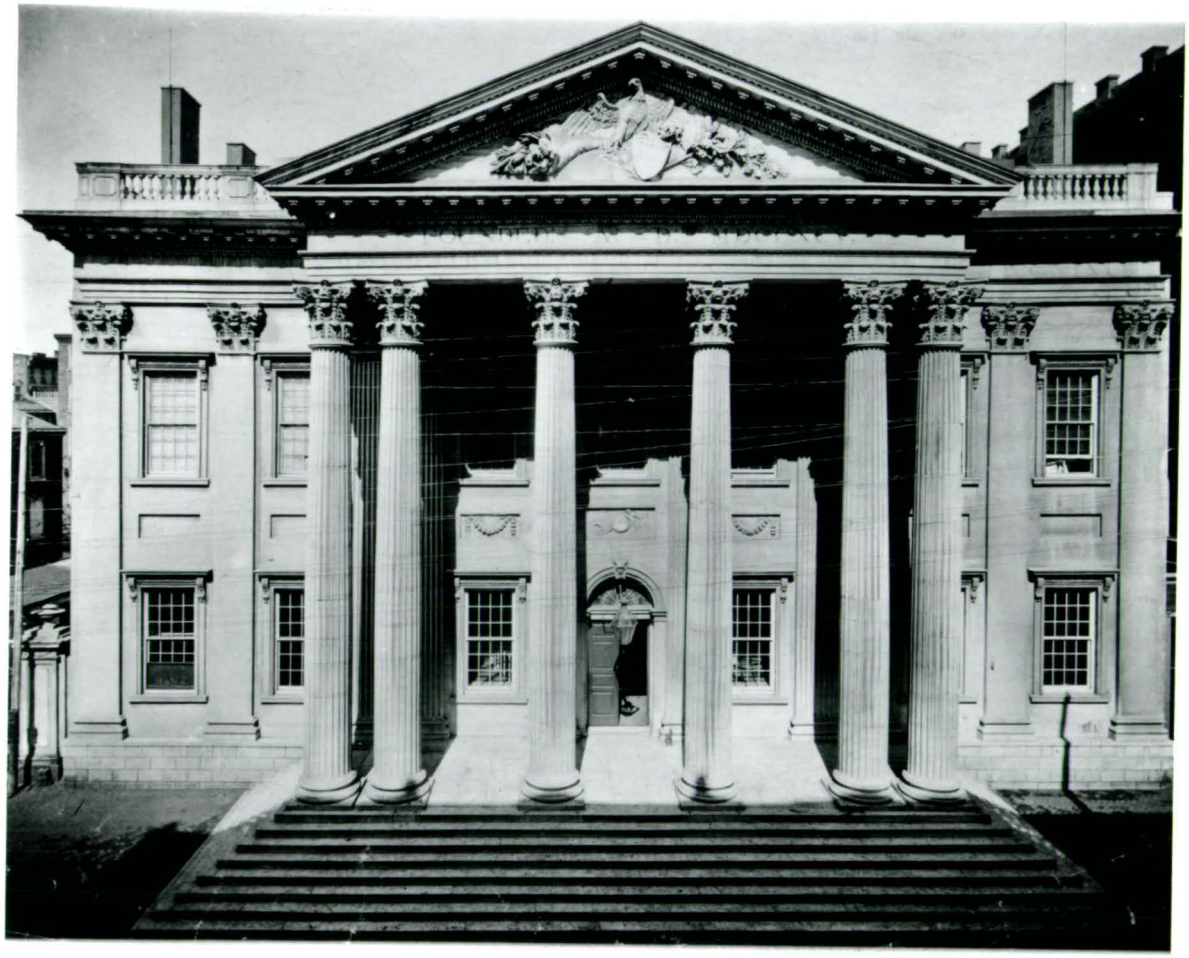


ILLUSTRATION 6

East facade of the First Bank of the United States, photographer unknown, exact date unknown. Note the sign in the window "GIRARD NATIONAL BANK." Original print in the collection of the Historical Society of Pennsylvania. INHP Negative 2163.

This photograph was probably taken not long after 1864, when the "Girard National Bank" was incorporated with that name. Through the windows flanking the front entrance, one can see the treads and risers and turned balusters of the original double stairway within the entrance lobby. The stairway's wood trim was to be 'modernized' later in the 19th Century (see Illustration 8), and torn out completely in 1902 along with the remainder of the original interior structure and details.

At the age of about 75 years, the marble facade of the building was in excellent condition. The only sign of deterioration at that time is the broken pendant on the festoon over the window just south of the main entrance.

Details derived from the photograph relevant to the present restoration include: the herringbone brick pattern of the Third Street paving,[1] the inward opening raised panel double doors with four panels each, the fan light above the entrance shown without the vertical bars in place today, the pair of footscrapers, the lantern, and the 12 over 12 sash. Interior shutters are visible through the windows of the second floor southeast room. These were probably the first of a series installed throughout the building in the 19th Century. Physical investigation has shown that their shutter pockets were cut through the original window jamb framing members. At the roof level, the original balustrade shows clearly, with its turned balusters, and pedestals with applied moulding panels. The northeast chimney is apparently steadied by a guy wire fastened from its back side to the roof, and lightening rods rise on the east side of both eastern chimneys. On the whole, this photograph is a very good representation of the original Third Street appearance of The First Bank of the United States. It was used by the National Park Service in reconstructing the flanking gates and gate posts in 1960.

1. An 1849 Photograph (INHP Negative A-2118) shows depressed drains in this sidewalk leading from the north and south side alleys out to Third Street.

ILLUSTRATION 6 (Continued)

A similar photograph, taken very nearly at the same time as this one, can be seen in the book Philadelphia an American City, by Vickers ,Phila., 1893 (INHP neg. 7784) or in print form at the Pennsylvania Historical Society (INHP neg. 8284).

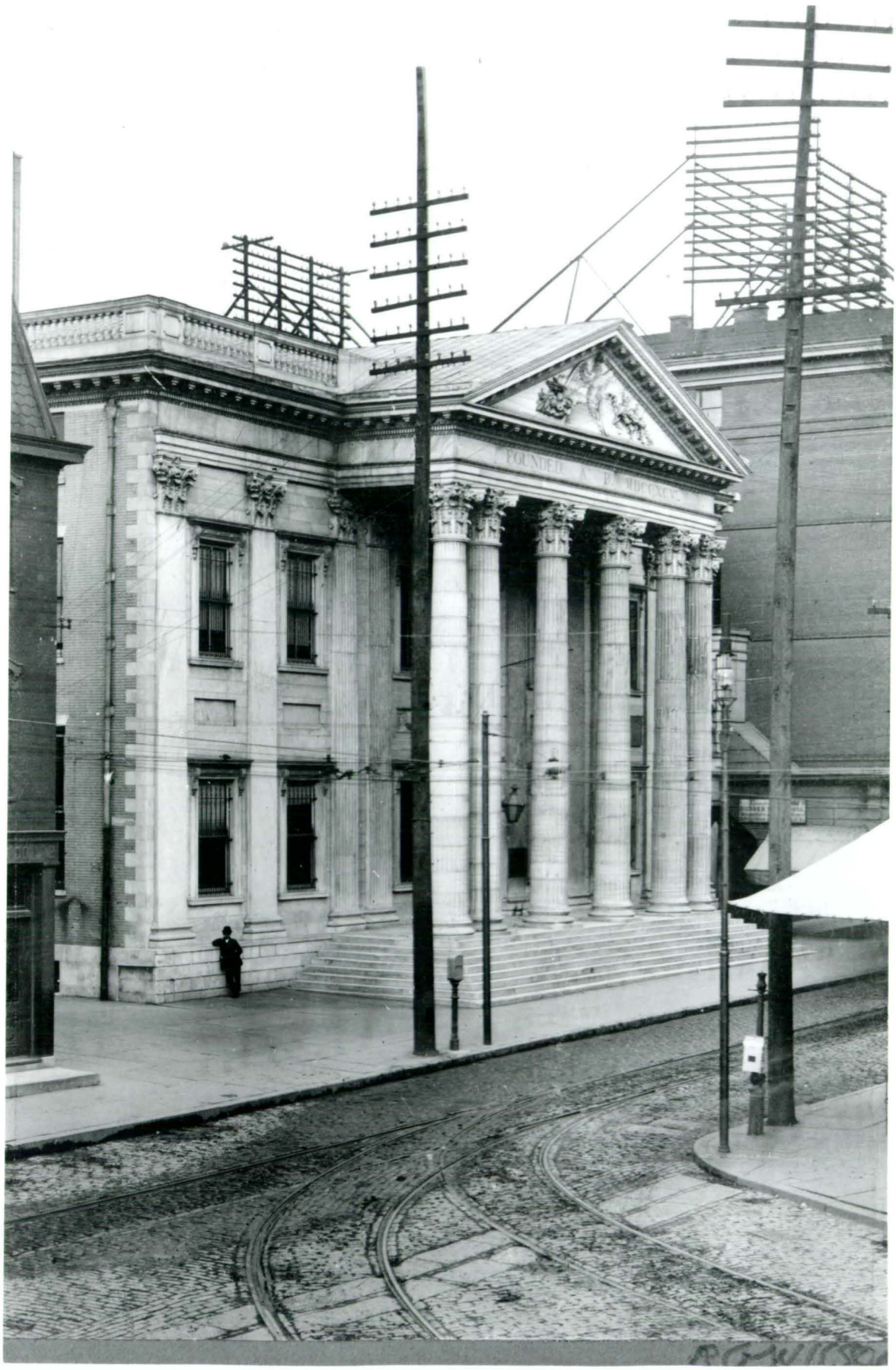


ILLUSTRATION 7

The First Bank of the United States from the southeast, photograph by R. G. Wilson, Wayne, Pa., 223 South Sixth Street, Philadelphia, date unknown (pre-1902). Original photograph INHP Museum Collection, cat. no. 10410. NPS Negative Historic Structures 157.2782.

Much had happened to the First Bank prior to this photograph. The brick sidewalk was replaced with stone. The gates and their posts were removed. Cast iron soil lines were added to the downspouts.

Adjacent to this southeast pipe, at the top level of the cast iron pipe is a carved stone street sign reading "STOCK EXCHANGE PLACE." This walkway appears with this name in the 1888 City Directories for the first time.[1] In later years, the walkway and its mate were to be made into streets (see INHP neg. 9188, c. 1933).

The major change made prior to the taking of this photograph was an attempt to introduce more light into the inner space of the first floor. The side and rear first floor windows were enlarged vertically. The recessed brick panels matching those in stone on the front facade were filled in, and the original stone lintels were reset above the new, taller openings. All the small lighted sash were replaced with large paned sash, and iron grills were introduced at openings. It is assumed that this work took place in one major alteration which included the modernization of interior wood trim (see Illustrations 8, 9, and 10).

This is the clearest view of the original copper roofing ordered in "48 x 28" inch sheets from England in 1795.[2] (See Illustrations 1, 5 and INHP Neg. A2118). On the portico roof, there are definitely nine standing seams between the front gable and the east face of the balustrade. A pole gutter is visible at its base. It is this portion of roofing which has survived to the present day, attesting to the extraordinary lasting qualities of copper roofing.

1. The name is derived from the Stock Exchange building built in 1876 west of the Girard Bank (see Encyclopedia of Philadelphia by Joseph Jackson, 1933, p. 117). The stone sign may date therefore as early as 1876.

2. "Minutes of the Board of Directors of Bank of U.S.", Nov. 24, 1795, Papers pertaining to U.S. Bank of America 1789-1848, Etting Collection, Historical Society of Pennsylvania.

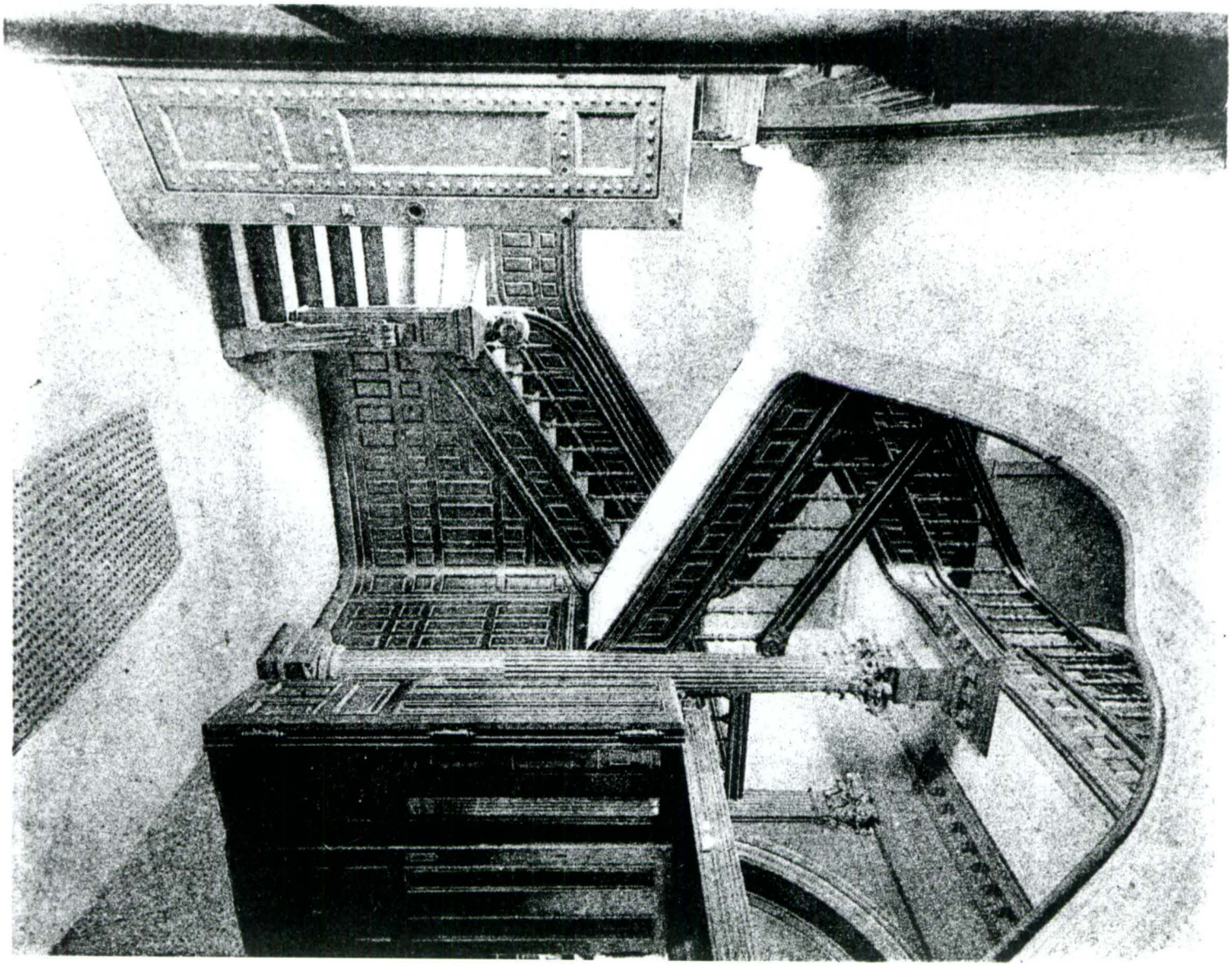


ILLUSTRATION 8

STAIRWAY TO SECOND STORY...PRIOR TO ALTERATIONS", The History of the Girard National Bank of Philadelphia 1832-1902, by Josiah Granville Leach, LL.B., J. B. Lippincott Co., Phila., 1902, facing p. 58. NPS Neg., Historic Structures 157.2801.

Without changing the layout of the stairway itself, the decor of the lobby inside the east entrance was greatly altered sometime after 1864. From Illustration 6, one can see the contrast in the design of the stair railing. The Corinthian ordered free-standing fluted column and its entablature are structural survivals of the original fabric along with the flat pedimented and pilastered archway leading into the main banking room, and the entrance door enframement. The exterior entrance doors themselves have apparently by this time been replaced (see Illustration 6).

One can see at the second floor level what was probably a decorative niche in the wall above the upper stair ramp, and an archway that was perhaps the entrance to the south corridor.



ILLUSTRATION 9

First Bank of the United States, Interior, Historical Society of Penna., INHP Neg. 2101. 1864-1902.

Looking southwest from under the first floor central east-west barrel vault, this view records the following original features: the Corinthian fluted columns supporting the second floor structure, the entablature surrounding the barrel vault, and what was presumably the original bank vault in the southwest corner of the building.

This photograph was taken after the first floor windows had been raised in height to allow more light into the interior. The heads of the windows are flush with the ceiling, which itself may have been raised as part of this alteration as shown by the curious stilts to be seen above the capitals of the columns in the background.



ILLUSTRATION 10

"INTERIOR VIEW OF THE SOUTH SIDE OF THE BANK BEFORE ALTERATIONS" The History of the Girard National Bank..., facing p. 56. NPS Neg., Historic Structures 157.2902.

This is an identical view to that of Illustration 9, looking southwest in the first floor, except for modifications made to the painted surface of the barrel vault. The value of this view is that it includes the treatment of the west end of the barrel vault.

The last column of the row supporting the barrel vault is rectangular in section, reflecting the pilaster adjacent to it at the corner of the west entrance lobby. Above the lobby there is apparently a cross hall open by an archway to the barrel vault. This archway was created to transfer light from the center west second floor window into the barrel vault. The west entrance lobby is reached through an arched doorway enframed with Corinthian pilasters.



ILLUSTRATION 11

"...INTERIOR VIEW OF REAR DOOR PRIOR TO ALTERATIONS" The History of the Girard National Bank ..., facing p. 58. NPS Neg., Historic Structures 157.2903.

This view looks into the original west entrance lobby, through the Federal-style lobby doorway with its enormous fan light, leaded side lights, and Corinthian pilasters. The double doors with four panels each reflect the original door paneling at the main east entrance. And beyond, the original west entrance double doors, set at the first floor level, open inward as evidenced by the visible HL hinges, and the applied rim lock and bolts. This photograph was taken after iron bars had been introduced to the first floor windows and to the fan lights of both the east and west entrances.

Included within this west lobby was, we believe, a utilitarian straight and winding stair leading to the cellar. There is some presence and absence of old plaster on the cellar walls beneath the north side of the lobby which indicates the descent of stair framing.

To the north and south of the Corinthian pilasters which define the lobby volume, one can see a variation in treatment. Referring to Illustration 10, the space between the south pilaster and its neighboring free standing rectangular column is open. Whereas here the matching space to the north is filled in by a wall. This wall may have accommodated the offset needed in the rear vestibule for the cellar stair.

Reflected in the large lobby fan light is what must be a second floor east window. This indicates that the east end of the central barrel vault was open to the upper stairhall allowing east as well west light to enter the main banking room.

Three items in the photograph should be studied for significance to the furnishings history of the First Bank of the United States: the two iron safe chests, and the carved or stuffed eagle centered in the fan light.



ILLUSTRATION 12

"PRESIDENT'S ROOM, PRIOR TO ALTERATIONS" The History of the Girard National Bank..., facing p. 102. INHP Neg. 6193.

This room can be located by the following details: it is in the first floor as shown by the window proportions, it is along the west wall as shown by the fireplace (one of two described by Architect James H. Windrim in 1902 on his plan of the first floor) and as the wall at right abuts the window trim tightly, it must be the wall of a bank vault in the northwest corner of the first floor opposite that shown in Illustrations 9 and 10.

The President's office was referred to in a statement during the transfer of the First Bank of the United States to the Girard Bank in 1812, when the Trustees of The First Bank were allowed "the use of the North Side of the banking room including Prests. Apartment."[1] And in the earlier, May 9, 1812, memorandum of agreement: "the Trustees are to have use of the Director's Room in the Said Bank, the North Side of the Banking Room, the President's Room and Vaults adjoining it, and one large Vault below to be selected by them."[2]

However, this view would have been impossible if the office was enclosed. Further, the lower left-hand corner of the photograph includes a small portion of a pilaster base indicating that the camera was situated near the north colonnade and that the space was visible from the main banking room.

1. Thos. Cope Journal, Vol 7, 5th mo. 15, 1845, Haverford Collection.

2. Etting Papers, Papers Pertaining to U.S. Bank of America, 1789-1846, Bills and Receipts, 1801, Historical Society of Philadelphia.



ILLUSTRATION 13

"DIRECTORS' ROOM, BEFORE RECENT ALTERATIONS" The History of the Girard National Bank..., facing p. 40. INHP Neg. 6191.

This view is the only representation we have of an original second floor room. Substantiated by notes referring to fireplace elaboration on the 1902 Windrim alteration drawings, the view proves to be of the southeast room.

Of principal interest in the comparison of this the original floor level to the present floor level introduced in 1902. Windrim raised the floor level approximately 18 inches.

Significant details which show in this view are: the 19th Century paneled interior shutters (the pockets of which still exist); the original recessed walls and applied chair rail moldings and the original window architraves all of which still exist; the marble enframement of the fireplace opening which still exists only reset to meet the 1902 floor level; the undated wood overmantel which was moved to the southwest room after this photograph was taken; the decorative cornice; the Federal style fan-lighted double doorway leading to what must have been a short hallway between the southeast and southwest rooms; and reflected in the mirror above the fireplace one can see in the opposite corner what must be a flat pedimented doorway.

Illustrations 8-13 show us that the interior of the First Bank was indeed originally well detailed.


ITED STATES · OWNED AND OCCUPIED BY STEPHEN GIRARD·1812-1831 · OCCUPIED BY T

ILLUSTRATION 14

"INTERIOR VIEW OF BANK, SINCE ALTERATIONS" The History of the Girard National Bank..., facing p. 110. NPS Negative, Historic Structures 157.2781.

This space is the result of the major alterations to The First Bank of the United States made by the Architect James H. Windrim for The Girard National Bank in 1902. To introduce light to the Bank tellers in the center of the building, Windrim removed the original barrel vaulted ceiling and introduced a domed skylight. The view looks southeast with the main entrance at left. Notable details are the plaster cast Corinthian cornices facing the structural ceiling girders, and the Corinthian supporting columns around the rotunda.

Windrim's design was particularly sympathetic to the 1795 detailing (see Illustrations 8-11) creating a unified design.



ILLUSTRATION 15

The First Bank of the United States from the northeast, photographer Abie Rowe, July 4, 1951. INHP Neg. 2026.

Not even the early morning summer light could brighten the dingy aspect of this monument which had long ago been labeled "the most superb building that has as yet been erected in this city."[1] This photograph and Illustration 16 show the exterior additions and subtractions made by the Girard Bank and the tenants of the Girard Estate who occupied the building after the Bank moved out in 1926. Note the additions: hood flashings above the east windows: a cast bronze historical marker near the northeast corner below the window; tubular hand rails at the front steps; a flagpole above the front entrance used in the 1930's by the tenants, The American Legion; wire screening covering the portico column capitals; a cast iron vent pipe rising to the roof at the center of the north wall; and the diagonal offset of the northwest downspout leading into the 1912 west addition to the building.

The subtractions of 1902 and later include; all three of the north chimneys which were removed along with the original balustrade (a sheet metal rendition was substituted in 1902). Although not visible, the original cornice members have been replaced in stamped sheet metal. And the original bulkhead entrance to the celler vaults under the second from the west window has been removed.

1. June 7, 1797. Extracts from the Journal of Elizabeth Drinker from 1759 to 1807, A.D., Henry D. Biddle, ed., Phila., 1889, p. 305.


SPECIALTY
FURNITURE
CO.
WHOLESALE
FURNITURE

ILLUSTRATION 16

The First Bank of the United States from the northwest, Knickerbocker Photo Service, 1952. INHP Neg. 2071.

The interior major changes of 1902 designed for the Girard Bank by James H. Windrim, Architect, are reflected in exterior changes at the roof and west side of the building.

The original hip roof was removed so that a large skylight could be installed above a glass-paned dome. Chimneys were removed which were no longer needed, a new compromise balustrade was installed fabricated of sheet metal, and an elevator mechanical tower was introduced. The first floor of the addition along the west wall was added in 1912. The second level was added prior to 1926. Just inside the center bay of the west wall, Windrim had placed a curved stairway wrapping around an open-cage elevator. To accommodate this stairway, he introduced new tripartite windows at the third and second floor levels. At the first floor level, he dropped the original stone trimmed west entrance to one riser above grade removing the original rear steps and platform.

In linking the space of the higher addition to the main bank, great portions were removed of the original west wall north of the entrance. To the south of the entrance, the window openings were utilized as door openings into the addition.

An interesting original detail has survived despite all the changes. Both west downspouts are in part original. Their conductor heads and round pipes with lead and copper collars can be seen here. These and several other downspout portions were removed in 1960, and have been cataloged into the INHP Museum Collection (Accession No. 2531).



ILLUSTRATION 17

Photograph: George Eisenman, James L. Dillon Co., Inc., September 1974. NPS Negative, Historic Structures 157.2891

View looking southwest from the central bay of the east-west corridor, showing its intersection with a north-south barrel vault. The wall on the right is a modern brick partition possibly added in 1902 by Architect James Windrim. The Portland cement finish on the walls was applied in the 20th Century covering the massive stone foundation walls. The doorway was one of three in the cellar built to accommodate a large vault door, note the size of the stone lintel. The pintles for this door are on the left door jamb and the arrow points to the original keeper. But early in the 19th Century, the doorway was reduced in size with handmade brick infill. The reveal for the smaller door was built into the brick jamb and cut into the lintel. A new strap double keeper was anchored into the brick infill.

ILLUSTRATION 18

Photographer: George Eisenman, James L. Dillon Co., Inc., September, 1974. NPS Negative, Historic Structures 157.2836.

Taken from within one of the pair of small vaults in the northwest corner of the basement, this view shows the interior of one of the 18th Century wrought iron doors still in place. Comprised of four panels with a stile and rail system, all riveted together, the door is hung by two offset strap hinges on pintles such as those in the foreground. The large dead bolt rim lock secured into one end of a double keeper. The other end of the keeper is for the door which once hung on the nearside of the wall. The bracket riveted to the top of the outer door prevents it being lifted off the pintels. Typically, the door has a sill and lintel of solid stone. The flooring on each side was originally running bond brick.

The modern cement floor and 20th Century equipment are representative of the type of modern intrusions to the only original interior fabric left in the building.

ILLUSTRATION 19

Photographer: George Eisenman, James L. Dillon Co., Inc., August, 1974. NPS Negative, Historic Structures 157.2875.

One of the two original cellar windows with the 18th Century bars completely intact. Ten vertical bars are set into a solid stone lintel and sill. The five horizontal bars are secured into the stone and mortar walls. The arched opening for the window forms a groined joint where it intersects the barrel vault. This masonry treatment is common to all the original cellar windows on the west wall.

The stone walls and brick vaults were originally white washed. Again, despite the installation of modern plumbing and electricity in the 20th Century, the character and architectural integrity of the original bank vaults has remained.

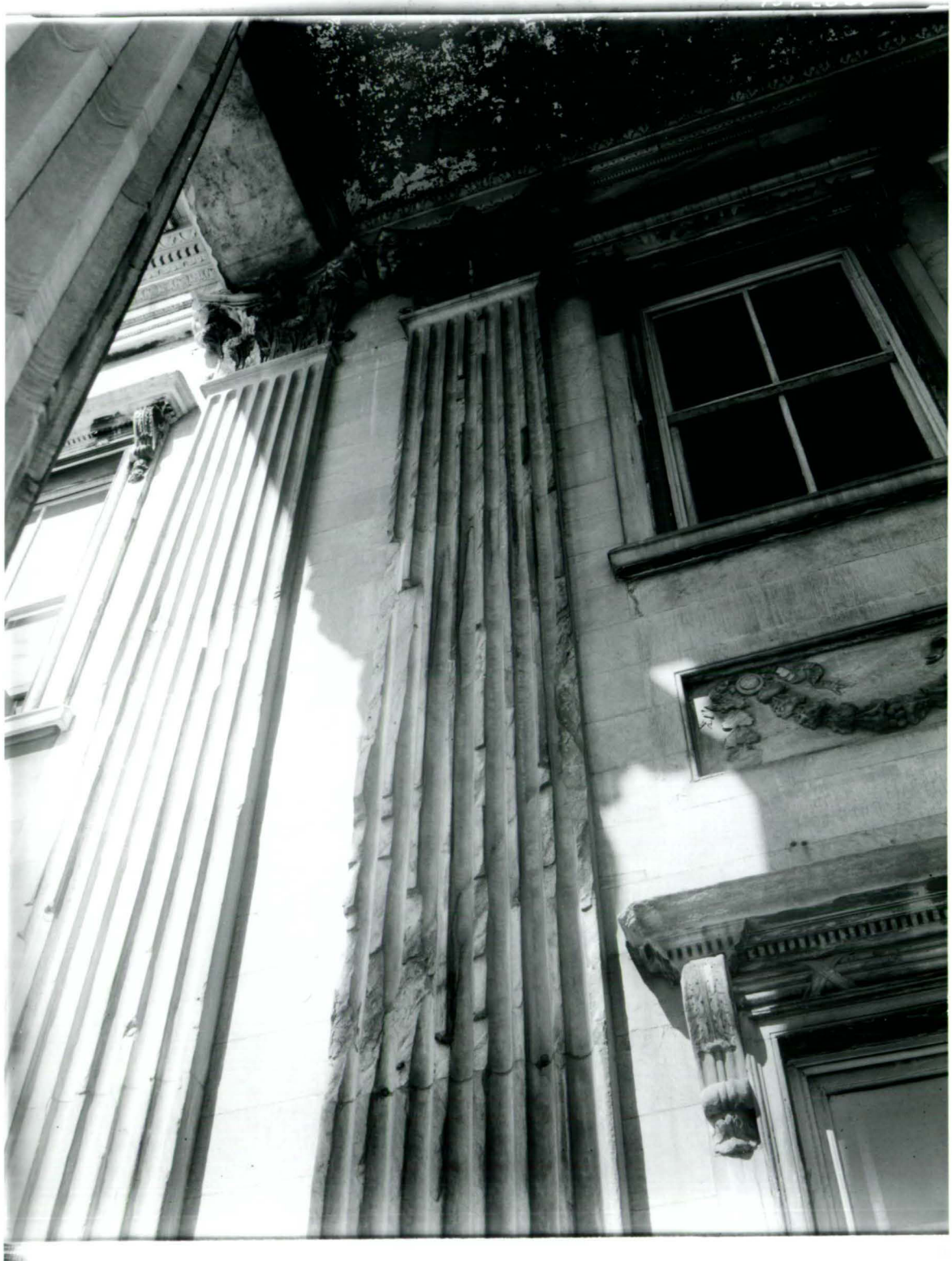
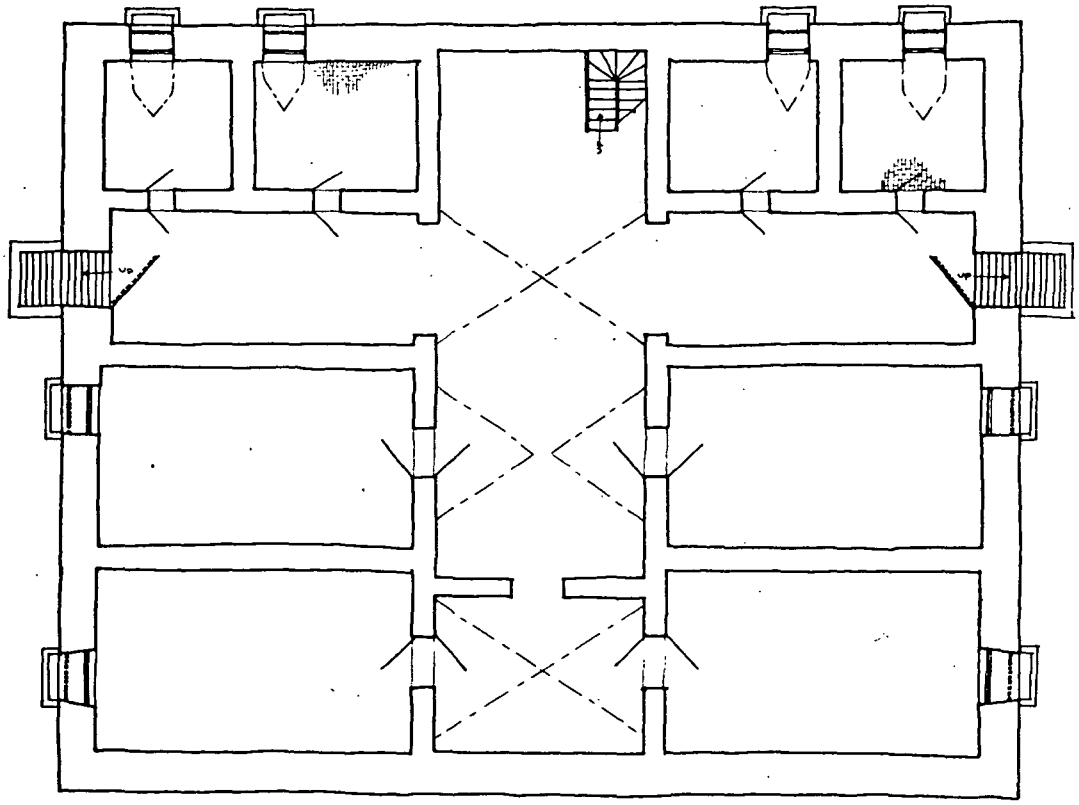


ILLUSTRATION 20

Photographer: George Eisenman, James L. Dillon Co., Inc., August, 1974. NPS Negative, Historic Structures 157.2868. Portion of the East facade beneath the portico of the First Bank of the United States.

The main cause of deterioration on the Pennsylvania marble facade have been weather, pollution and direction of the stone bedding planes causing exfoliation. Weather has attacked the upper left and lower right unprotected window lintels, while the upper right window immediately under the shelter of the portico's cornice and curved plaster ceiling has retained its crisp profile. Pollution has contributed to the black encrusted areas which are hidden from rain. And the faults in the stone have caused spalling, particularly on the pilasters. Note also: the festoon on the panel at right which lost its dangling blossoms, due to such natural fracture, as early as 1864 (see Illustration 6).

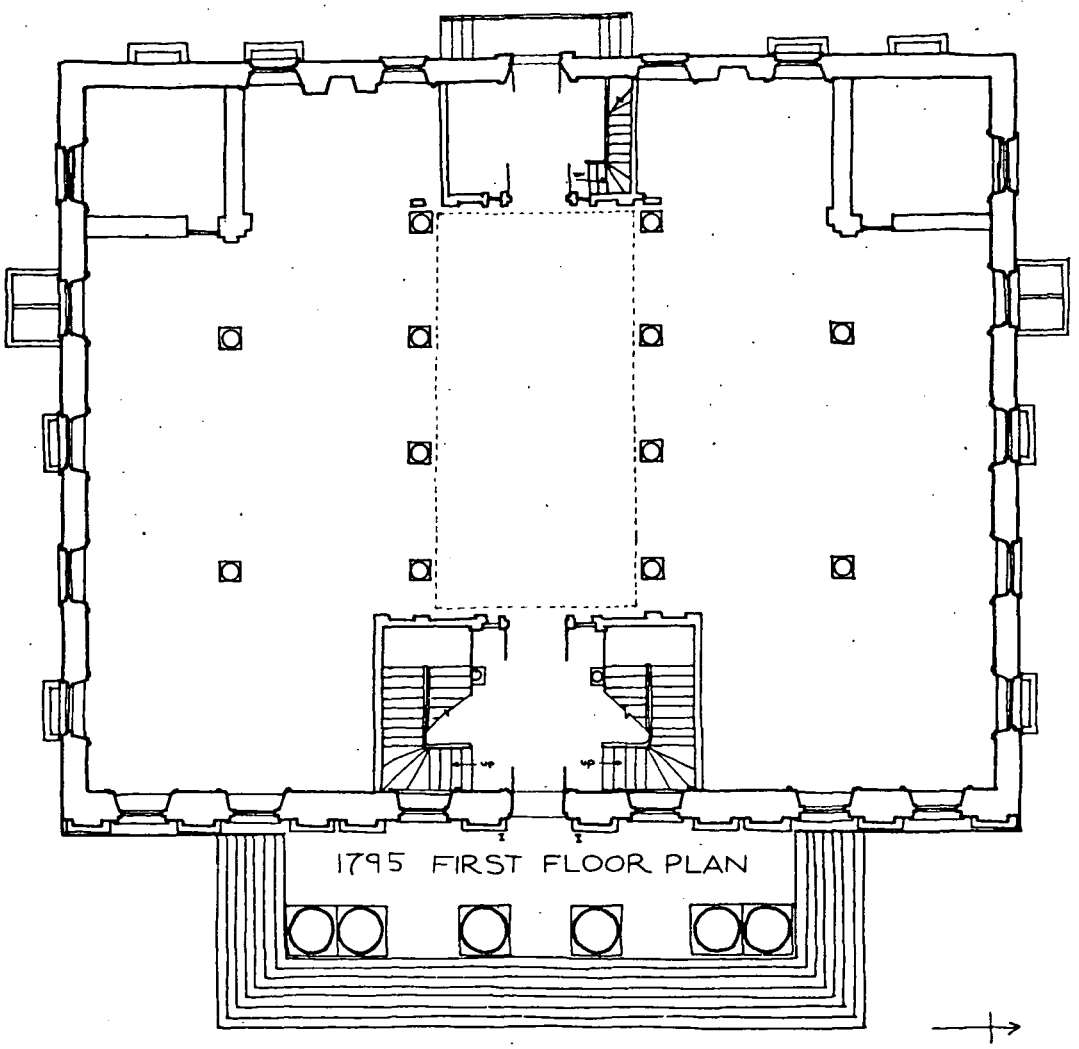
DRAWINGS

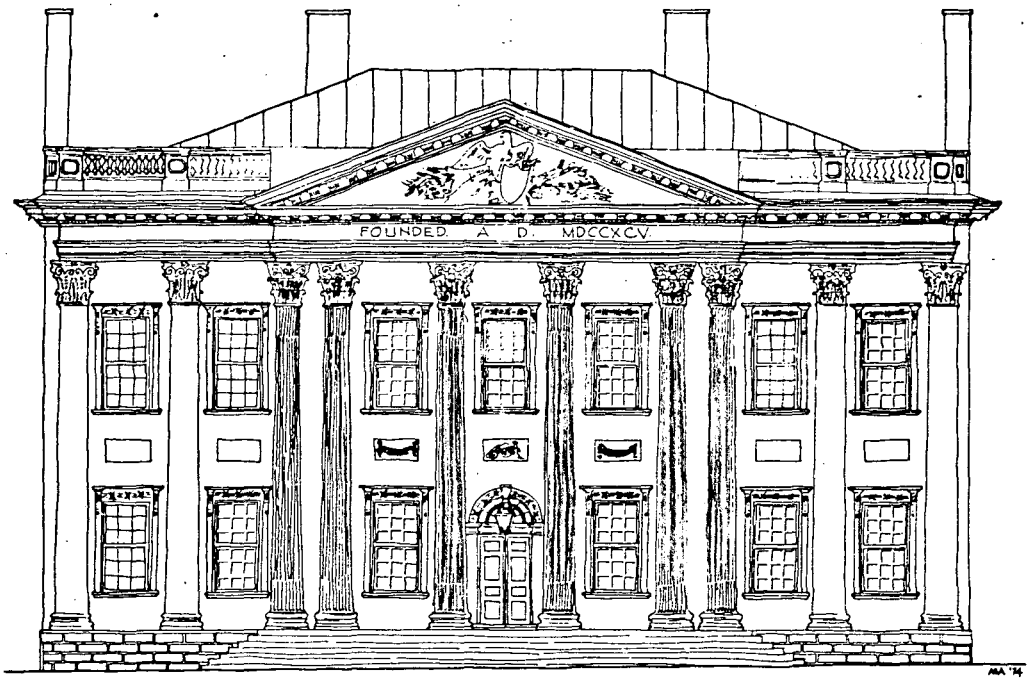


1795 BASEMENT PLAN

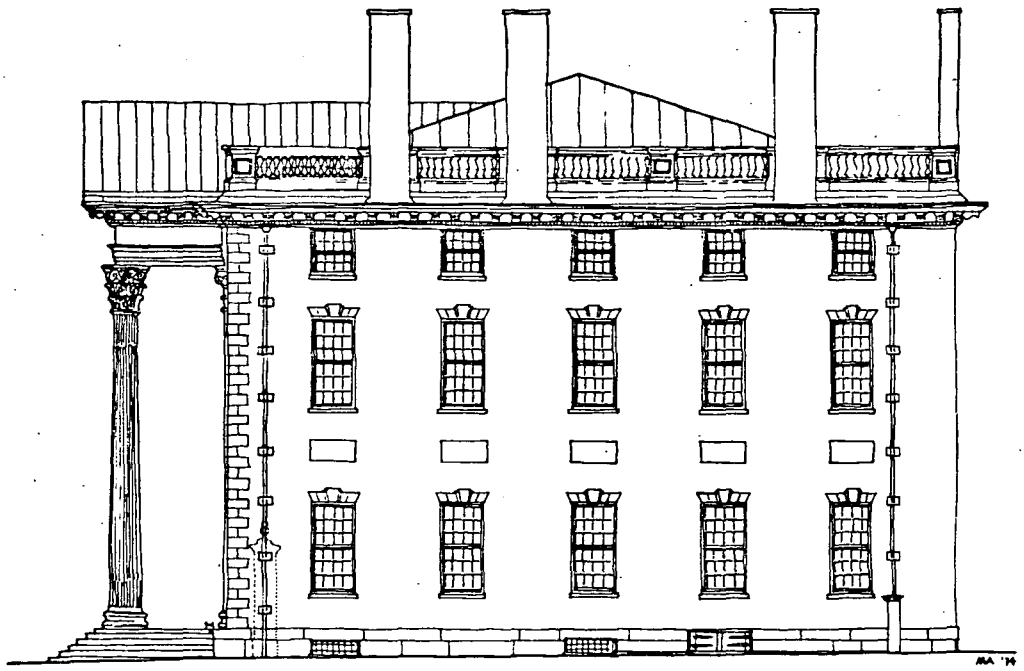
0' 8' 16'

PHB & SMS 12/10/74

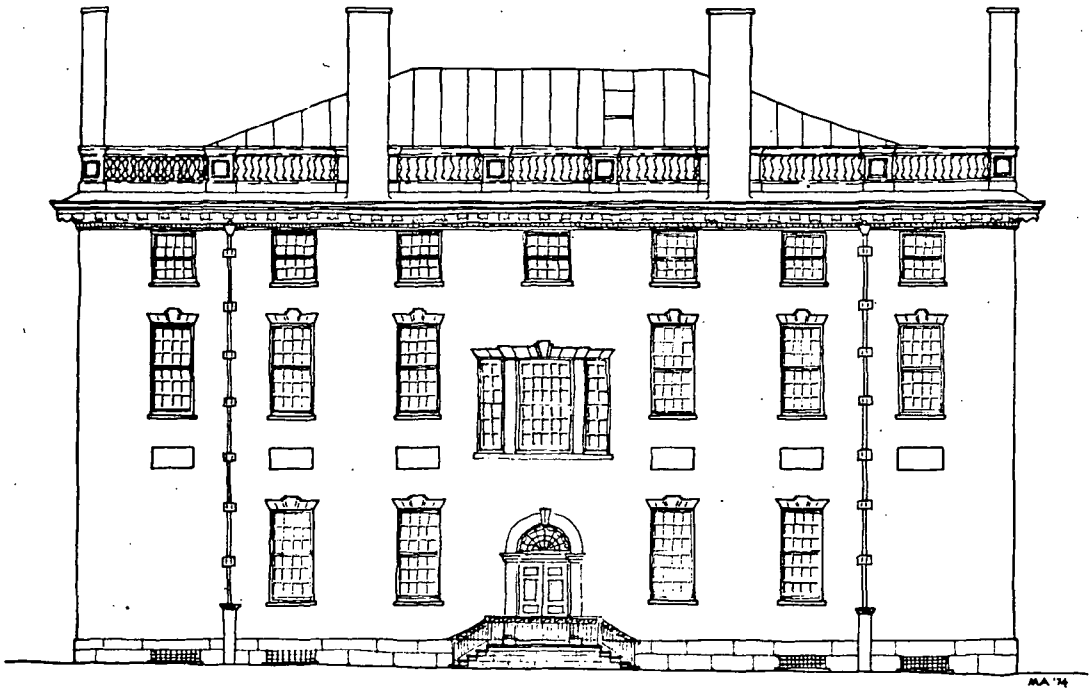

1795 FIRST FLOOR PLAN
0'
8'
16'
PHB & SMS 12/10/74



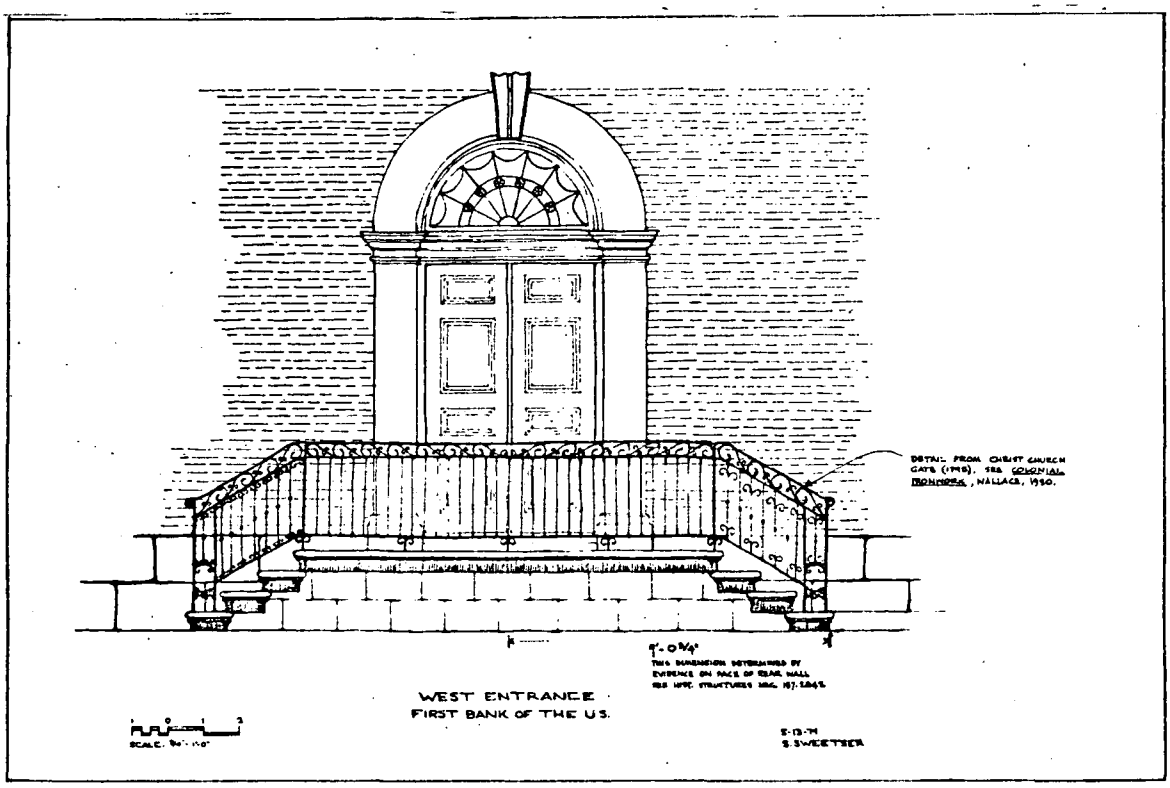
EAST ELEVATION



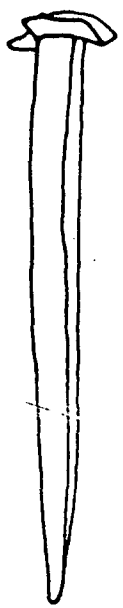
NORTH ELEVATION

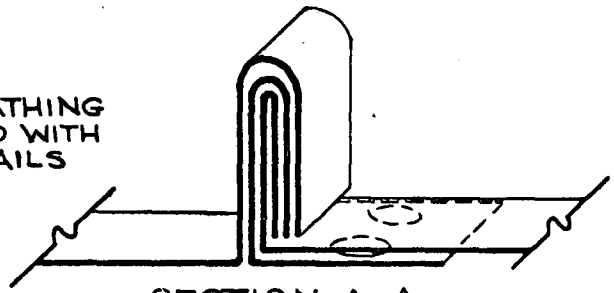


WEST ELEVATION

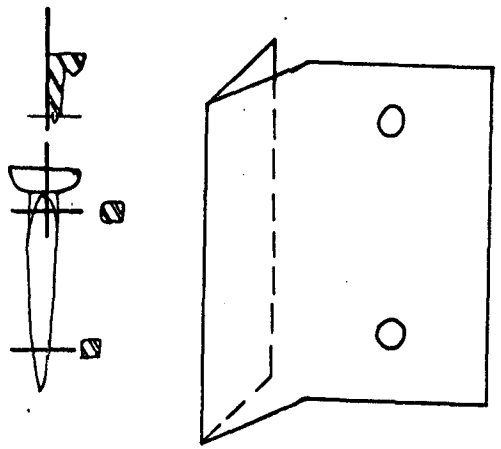

DETAIL FROM CHRIST CHURCH GATE (1918). SEE COLONIAL IRONWORK, WALLACE, 1930.
9'-0¾"
WEST ENTRANCE
FIRST BANK OF THE U.S.
SCALE:
S-13-71
S.SWEETSER

EXIST'G T&G SHEATHING BOARDS FASTENED WITH WROUGHT IRON NAILS (F.S.)



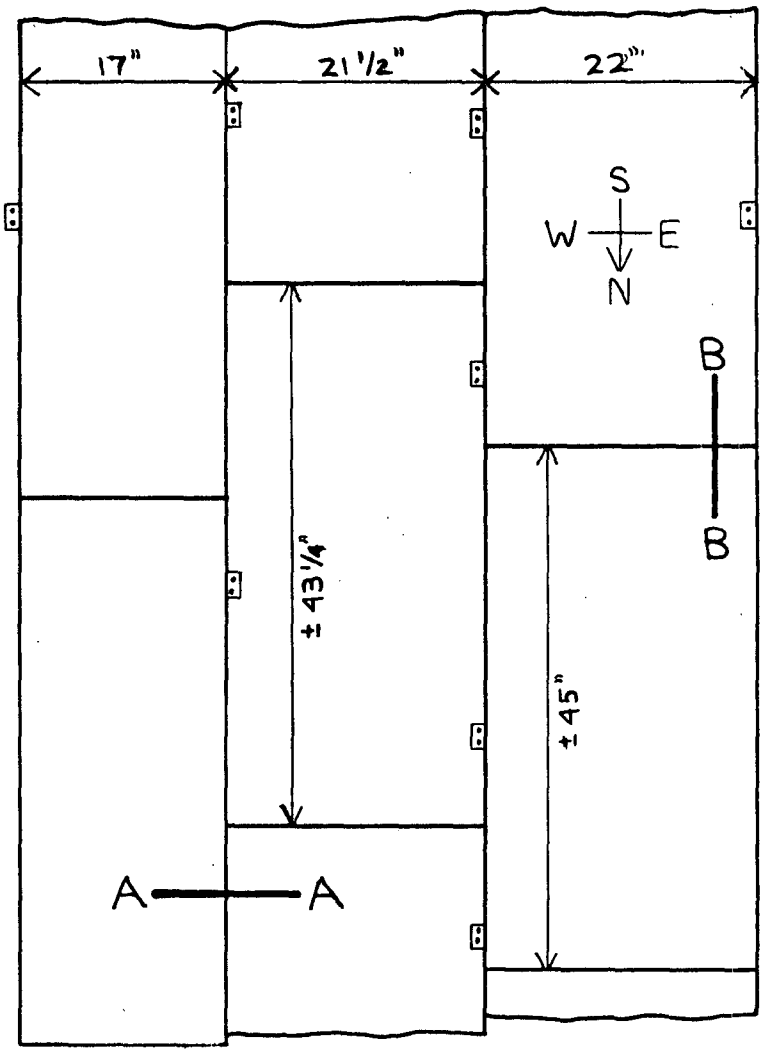


SECTION A-A
(NO SCALE)

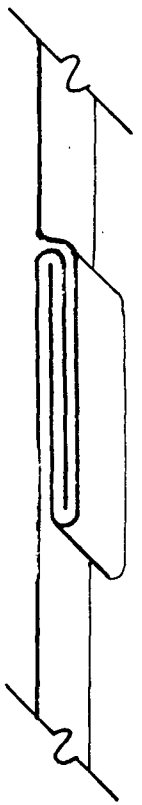


EXIST'G ROOFING FASTENED WITH COPPER CLIPS AND CAST COPPER NAILS (F.S.)

N.B.: NO NAILING EVIDENCE EXISTS TO INDICATE OTHER ROOFING SYSTEMS



PORTION OF EXIST'G COPPER ROOF
UNDERSIDE PLAN

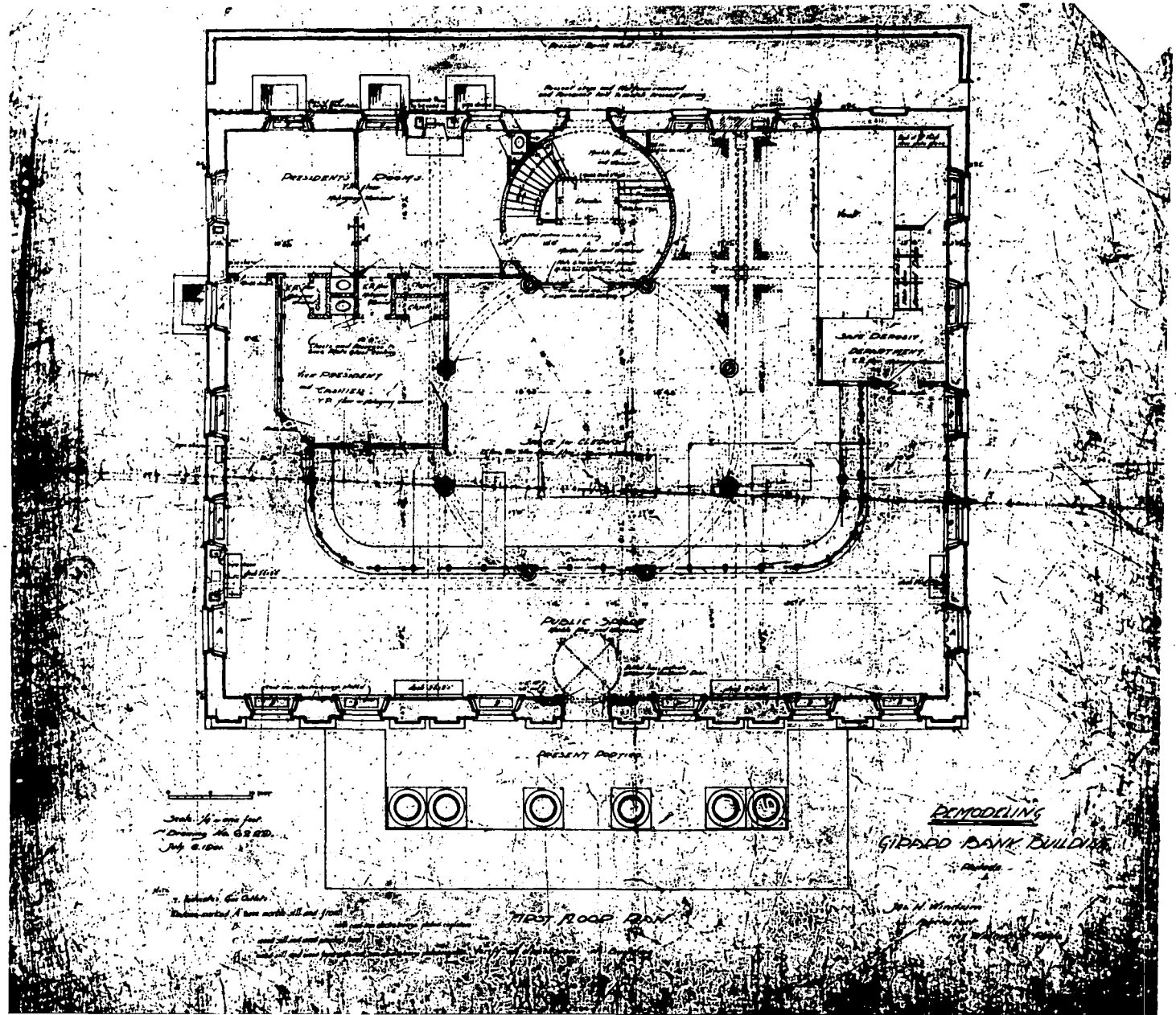


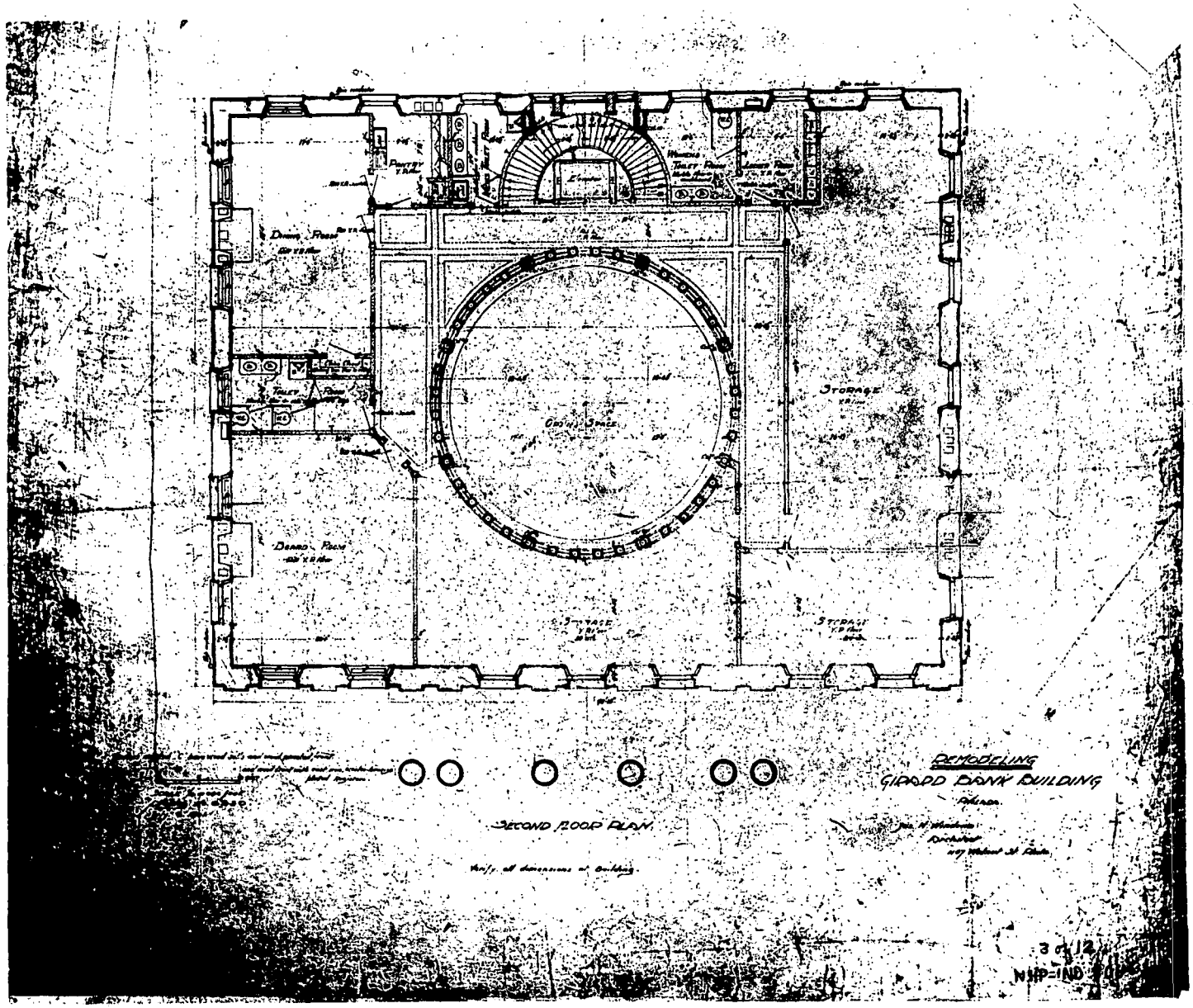
SECTION B-B
(NO SCALE)

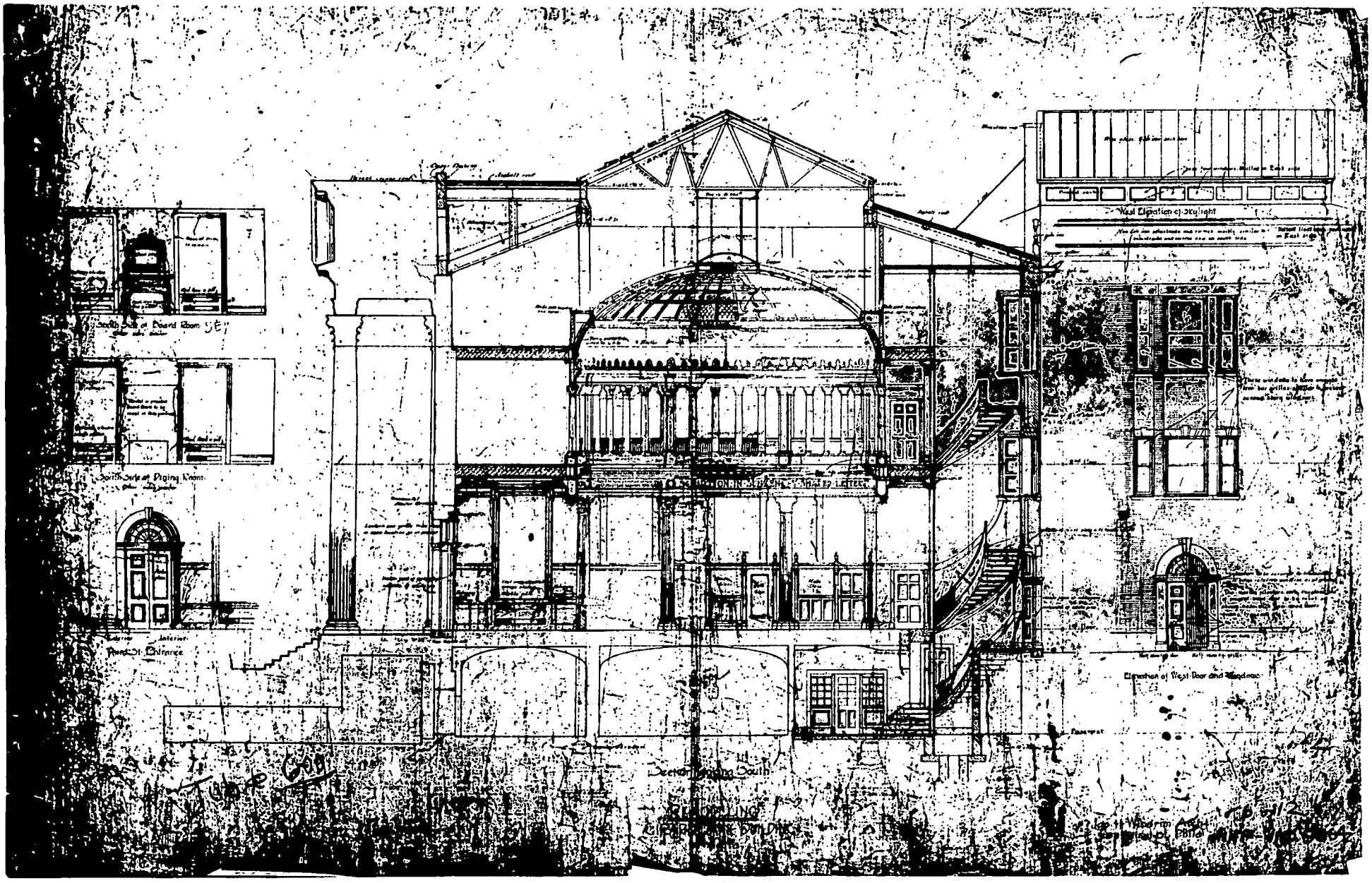
FIRST BANK OF THE U.S. PORTICO - 1795-7 COPPER ROOFING

PHILA., PA.

10-31-74 S. SWEETSER


PRESIDENT'S ROOM
VICE PRESIDENT
CASHIER
PUBLIC SPACE
REMODELING
GIRARD BANK BUILDING
FIRST FLOOR PLAN


Storage
Storage
Second Floor Plan
Remodeling
Girard Bank Building


West Elevation of Skylight
Elevation of West Door and Windows

RECOMMENDATIONS

It has long been recommended by National Park Service architects and administrators that no attempt be made to reconstruct the original interior of the First Bank. The 1902 alterations were far too drastic to reverse, and the present interior has aesthetic merit which makes a positive contribution to the building. It contains very workable spaces for an adaptive use. The first floor, cleared into one area will make a splendid space for freestanding exhibits. The upper floors will continue to provide good offices, conference rooms, library and lunchroom facilities for the Independence National Historical Park Interpretation and Museum Staff.

The 20th Century changes to the exterior of the old bank greatly disturb the appearance of the building (see Illustrations 15 and 16). The recommendations of the Historic Preservation Team architects have been: to remove all accretions; to return missing elements such as the chimneys and a corrected balustrade; to restore the side and rear wall first floor windows to their original size with recess panels above them; and to reconstruct the original 12 over 12 sash throughout the building.

The portions of what would be a sweeping restoration of the exterior of the First Bank of the United States deserved more thought--

the roof and the center bay of the west facade. At these points, the marriage of the 1797 exterior and the 1902 interior causes some conflicts.

Recognizing that a return to the original hipped roof would deprive the glass dome of natural light, the alternatives for retention of the existing skylight were studied. A compromise was considered, that of incorporating the skylight into the layout of the original standing seam copper roofing i.e.; substituting glass panels for copper sheets in the area of the skylight. Potential maintenance was a concern. Finally, it was deemed both practical and reasonable to recommend that the original roof lines be reconstructed, and the daylight effect above the interior rotunda be achieved by artificial means.

Closely linked with the restoration of the center bay of the west facade are the 1902 interior alterations. The installation of the circular stairway dictated the change in placement of the west entrance and the levels of the second and third floor tripartite windows. Problems arose in trying to reverse the exterior aspect of this feature without disabling vertical circulation, particularly to the cellar. However, head room problems were overcome with careful measurements, and with the information from Illustration 2 of this report, a return to a fairly accurate west facade became possible and a recommended

step. The 1902 stair can remain totally active, and by altering the elevator mechanism at the time the roof penthouse is removed, an open cage cab can once again serve from the third floor to the basement.

A difficult aspect of the exterior restoration of the First Bank is to determine the precise treatment in preserving and restoring the facade fabric. Illustrations 15 and 20 show the degree of dirt accumulation and erosion at the front facade, and the text tells of the poor condition of the sides and rear wall brickwork due to over zealous paint removal in the 1960's. Superintendent Cawood, in response to our anxiety over this subject, contracted the research laboratory of the Franklin Institute for a six-month study of available techniques and proprietary products for the preservation of masonry (see Preservation of Historical Masonry Sturctures, Harold L. Heller, The Franklin Institute Research Laboratory, March 14, 1974). The author included in his report a recommended procedural approach to the restoration and preservation of the First Bank. (See Appendix C.)

The implementation of this procedure should be based on the Administrative Policies for Historical Areas of the National Park System (Revised September 1968), Part I, "Historic Preservation Policy" p. 19. In essence, the work should result in prevention of further

deterioration and an improvement of the structural condition, with a build-up of missing elements only where they effect the future shedding of water from the facades.

The choice of heating and cooling systems was studied with consideration for optional preservation of the original cellar vaulting. Fortunately, a space consuming hot air system could be avoided by using a fan coil system fed by hot and cold water pipes. Only the northwest corner vaults, already violated by mechanical intrusions, would be needed to house utilities. Eventually, a restoration of the original cellar vaults would be possible as funds permit.

Further consideration should be given to interpretation of this area, as the brick and stone intersecting barrel vaults of the First Bank cellar would present an architecturally dramatic and unique experience for the 20th Century American.

It is my recommendation that when funding becomes available, all the missing vault doors and gates be reconstructed, the brick flooring be restored, and electric power be unobtrusively introduced, perhaps in receptacle strips for maximum flexibility in lighting exhibits. Until that time, the cellar could be superficially cleaned up so that the public can appreciate these unusual spaces even short of their original trappings.

The area of the vaults is too great to devote entirely to an exhibit of bank safe-keeping. Therefore, I suggest that the remainder of the space might be utilized in interpreting the story of how the historic buildings at Independence Park were built. Who was Edmund Woolley? What were raising feasts, and what did Woolley serve his men at these events? Why did the art of building warrant such rewards? As an architect having devoted almost 20 years to the study of these buildings, I recognize that their survival was the raison d'etre of the Park. As such, these structures are principal artifacts and the public deserves an explanation of how they came into being. Logically, an exhibition could correlate items from the Independence National Historical Park collection of architectural artifacts to lend three dimensional, tactile, and immediate understanding to the story. The collection came into existence much as a research library does. It holds the "How it was done then" information needed by the restoration architects and, therefore, can continue to tell its story to the public who also want to know "How it was done then." I propose that this exhibit be financed in part by the Denver Service Center, partly by private donations and that Independence National Historical Park contribute the space.

Penelope H. Batcheler

APPENDIX A

Chronological Inventory of First Bank Reports

Wettereau, James O., "America's Oldest Bank Building," Historic Philadelphia. Vol. 43, Part I, of the Transactions of the American Philosophical Society, Philadelphia, 1953, p. 70.

Historic Grounds Report for First Bank of the United States in Independence National Historical Park. Philadelphia, Pa., February 1959.

Interim Historic Structures Report, Part I, on First Bank of the United States, Independence National Historical Park, Philadelphia, Pa., July 1959.

Historic Structures Report, Part I, on First Bank of the United States, Independence National Historical Park. Philadelphia, Pa., November 1959.

Interim Historic Structures Report, Part II, on the Eagle Tympanum, Portico, First Bank of the United States, Independence National Historical Park. Philadelphia, Pa., July 1960.

Souder, Norman M., Historic Structures Report, Part I, Architectural Data Section, The First Bank of the United States, Independence National Historical Park. Eastern Office, Design and Construction, Division of Architecture, Philadelphia, Pa., June 1964.

Souder, Norman M., Historic Structures Report, Part II (Portion), Architectural Data Section on The First Bank of the United States, Restoration of the Roof, Independence National Historical Park. Eastern Office, Design and Construction, Division of Architecture, Philadelphia, Pa., July 1964.

Historic Structures Report, Part II (Portion), on the Roof, First Bank of the United States, Independence National Historical Park. Philadelphia, Pa., August 1964.

APPENDIX B

Chronological Inventory of First Bank Drawings

Office of the Board of Directors of the City Trust, Girard Estate, Philadelphia, Pa.

Third District Survey, "Plan of Property Belonging to Girard Estate," April 1876.

James H. Windrim, Architect
1901, 32 sheets, Remodeling
1902, 11 sheets, Lighting, Heating and Banking Fixtures
1906, 1 sheet, First Floor
1912 2 sheets, Addition
No Date, 9 sheets, Miscellaneous

"W.B.C.," 1948, Basement Plan

Historic American Buildings Survey, 1958-1959, 17 sheets.

Philadelphia Field Office ("Historic Structures") Historic Preservation Team, Denver Service Center, NPS--c. 1958, 4 sheets (HABS format)

Independence National Historical Park
Michael Everett and Norman Souder, Architects, 1960, 2 sheets, NHP-IND 3149--Full Scale Cornice Sections and Bracket Plan.

Price and Dickey, A.I.A. 1967, 14 sheets NHP-IND 3526A--Temporary Information and Orientation Center

Denver Service Center, NPS
Day & Zimmerman, Associates, George P. Wilman, Project Architect, 1974, 91 sheets, 391-25006, Adaptive Restoration

APPENDIX C

Technical

Final Report
F-C3726

Report

PRESERVATION OF HISTORICAL MASONRY STRUCTURES

March 14, 1974

By

Harold L. Heller

Prepared for

National Park Service
Philadelphia, Pennsylvania

Contract Number CX-4450-3-0008

THE FRANKLIN INSTITUTE RESEARCH LABORATORIES
THE BENJAMIN FRANKLIN PARKWAY • PHILADELPHIA, PENNSYLVANIA 19103

3. AN APPROACH TO THE RESTORATION AND PRESERVATION OF THE FIRST BANK

Scheduling of the various processes needed in the restoration and preservation of the First Bank is an important first step in the process. One possible approach is given here :

1. Work should start with the replacement of badly damaged bricks and all necessary repointing and repairs to the brick walls. An example of the problem is shown in (Figure 6). Work on the windows such as glazing and painting should be done at about the same time along with cleaning and caulking of all joints requiring flexible sealants. Also the repairing of stonework and the replacement of some small sections can be done at this time.

2. While the sealing process is going on, the removal of the loose stone grains by gently sandblasting and the removal of stains can be accomplished.

3. Once the building is sealed, a thorough washing of the entire building with water can follow. The brick surfaces will require only a gentle wash while the marble will require a long soaking.

4. Depending on the weather, drying for not less than one week will be needed. Rain should be kept off during this time.
If rainy humid weather does occur, a longer drying time may be needed.

5. The consolidation of specific stonework should be carried out before an overall preservative is applied. These areas would include window sills, the capitals and column bases and ornate stonework over the front windows and door. (Figure 7)

6. The final step should be the application of the preservatives.

The repair of the brick work is outside the scope of this project and can be handled well by experienced craftsmen in this trade. Caulking compounds of thepolysulfide type manufactured by Thiokol are recommended for sealing all joints. This material has a long use history and when used properly should last 15 years or more.

A major problem exists with the stone fluting on the front of the building. This problem as shown in Figure 8 is partially due to the direction of the bedding planes. Repairs would probably be as costly as replacement, and if neither is to be done, loose pieces should be removed and all sharp edges toned down.

Along the south wall (Figure 9) broken out sections of marble should be cut out square for replacement of stone blocks. Failure has occurred at these locations due to the expansion of the rust on the underlying steel (Figure 10). It will be necessary to work these steel beams free so that they can be cleaned and painted. There should be a space left behind the new blocks to fill in with a flexible waterproofing material to protect the metal and allow room for expansion.

The removal of rust stains will require some on site experimentation. The process should not clean to the extent where the cleanliness will contrast with the rest of the stone. If this can not be avoided, the effect should be tapered to reduce contrast or a light overall sandblasting could be used.

A very light and low angle dry grit blasting should be given to all of the marble surfaces that have loose grains. This process should be done only with very close supervision and the final result should be barely visible.

Deteriorating marble above the front windows and door and window sills (Figure 11) should be treated with a polymeric material that will consolidate the stone. This should be first tried on the second floor window with an acrylic monomer after it is first tested

on a similiar piece of marble. The purpose of the test piece would be to determine penetration and curing time for the temperature of that season. The rate of polymerization must be controlled closely for the best results. Poly-n-butyl-methacrylate is preferred for these applications. The stone will need to be covered during the polymerization process which should not exceed four hours. The surface layer should be reduced by lightly rubbing off the excess with a solvent. A slight darkening of the stone is expected, but this will not matter much on stone surrounded by brick.

An alternative method of polymer consolidation is available through Universal Restoration Incorporated. This is a process developed by K. Lal Gauri [30]. The method is described in detail in Treatment of Stone [31]. The claims of deep penetration up to two centimeters was verified on a sample of the First Bank marble. the epoxy did, however, darken the marble to give it a wet appearance as shown in Figure 12. This process is a possible second choice at this time.

Its use is being limited to specific areas of consolidation. One reason for this is that the "breathing" ability of stones treated this way is greatly reduced.

Another area requiring consolidation is the column bases. The base of the second column is very absorbent and as shown in Figure 13 still remains wet from rain the day before. Column bases three and four also show this to a lesser extent. The deep cracks must be sealed and it would be desirable to slightly smooth down the stone before adding the preservative.

The capitals present a special problem in that they are believed to be in an advanced state of decay. This will have to be determined before they are touched. Cleaning with water would be acceptable if they are solid. If not, rubbing with pumice may be necessary. All of the intricate stone-work on the front of the building (Figure 14) if required, could be carefully cleaned with a micro blasting gun manufactured by S. S. White using fine glass beads.

The equipment costs are rather high, but the time required to do the job would be reduced.

The Lewin method is no longer preferred for consolidating the capitals, but the Sayre method is under consideration. The chemicals needed for this process are on order and when received, an evaluation will be made on the process.

Sharp edges produced from exfoliation on the columns would be less conspicuous if slightly ground down to reduce shadows.

A preservative has been found for brick. This product is Hydrozo Clear and is manfactured by Hydrozo Products Company, Myrtle Beach, South Carolina. This product appears to be a waxlike substance dissolved in a solvent, possibly mineral spirits. It penetrates on the average of three millimeters deep into First Bank brick and coats the particles over which it spreads. A heavy coating on First Bank brick was found to allow the passage of soluble salts through the coating rather than accumulate them behind where they can damage the brick. It shows good resistance to U.V. light and does not change the appearance of the brick. Its ability to pass water vapor was tested on four millimeter thick marble saturated with it (brick is too open for this test) and the following results were found:

4 mm thick marble:	3.61×10^{-3} g/cm^2/day
4 mm thick marble coated throughout:	1.09×10^{-3} g/cm^2/day

This shows a considerable reduction in the rate of water vapor transmission under conditions of a better than average coating. This test was accomplished by sealing the stone over the mouth of a small glass container filled with water, and placing this in a desiccator containing calcium sulfate "Drierite". It was planned to visit buildings coated in the past to determine the approximate life of Hydrozo. The Todd House had been coated with Hydrozo ten years ago and this was checked by observing the behavior of water

droplets placed on the wall. It was found that some bricks still repelled water while others were intermediate to poor. The mortar absorbed water quickly indicating that no protection remained on it. It is estimated that Hydrozo will preserve old brick for five to seven years.

Two other products were considered for preserving the brickwork. These were Pol::ion, an acrylic formulated by George English and Hydron 300. These were first chosen on appearance along with Hydrozo. These were coated on old brick and evaluated for water repellancy and U.V. degration. The George English acrylic did not completely repel water while the other two did. The contact angles of water drops placed on these were measured and this shows their degree of wettability (high angles mean better repelleancy).

CONTACT ANGLES OF WATER ON POLYMER COATED BRICK

Pol::ion	Hydron 300	Hydrozo
66^{o}	98^{o}	109^{o}

The Hydron 300 broke down quickly under UV allowing water to pass through the coating rapidly. The Pol::ion coating was somewhat better and for equal exposure time, the Hydrozo was not effected. Hydrozo also penetrated much deeper than the other two.

The rate of capillary water rise through a section of old hand made brick supplied by the National Park personnel was measured to determine how long it requires to completely wet a brick from it's front face. Initial absorption is very rapid, but two hours are needed for complete penetration. This is shown graphically in Figure 15.

The major marble portions of the First Bank (columns, portico, and walls) present a problem in that histories of large surfaces having been successfully preserved are rare. Deep penetration of a preservative is unlikely and for the methods that do achieve this, a uniform appearance is questionable. Three temporary choices

appear to be usable. These are siliconates, Hydrozo Clear light and Pol::ion. A siliconate used on the Second Bank has preserved the building for at least three years and the building is still clean and in good condition today. The Hydrozo Clear light is a lower concentration of the Hydrozo Clear. This was found to penetrate up to three millimeters into First Bank marble, but it's repellency is reduced (but still good). There are no marble building coated in the past with this material and therefore its use is questionable. The Pol::ion acrylic has the least penetration of the three, but it has a good use history in this area. Its life expectancy is estimated to be five years.

Hydron 300 breaks down quickly in UV and various reports from National Park personnel indicate that it has not performed well.

If full restoration is desired for exhibiting the building in 1976, it will be necessary to apply a preservative over the clean, freshly worked marble even though its use will be temporary.

The majority of the exterior work must be done during the warmer parts of the year and the application of protective materials should be done during the summer months. It would be desirable to start the preservation of smaller portions of the Bank before the building is officially closed. A good starting place would be on the second and third story window sills. These will require special care in the application of an acrylic monomer and the first one treated will be, to some degree, experimental.

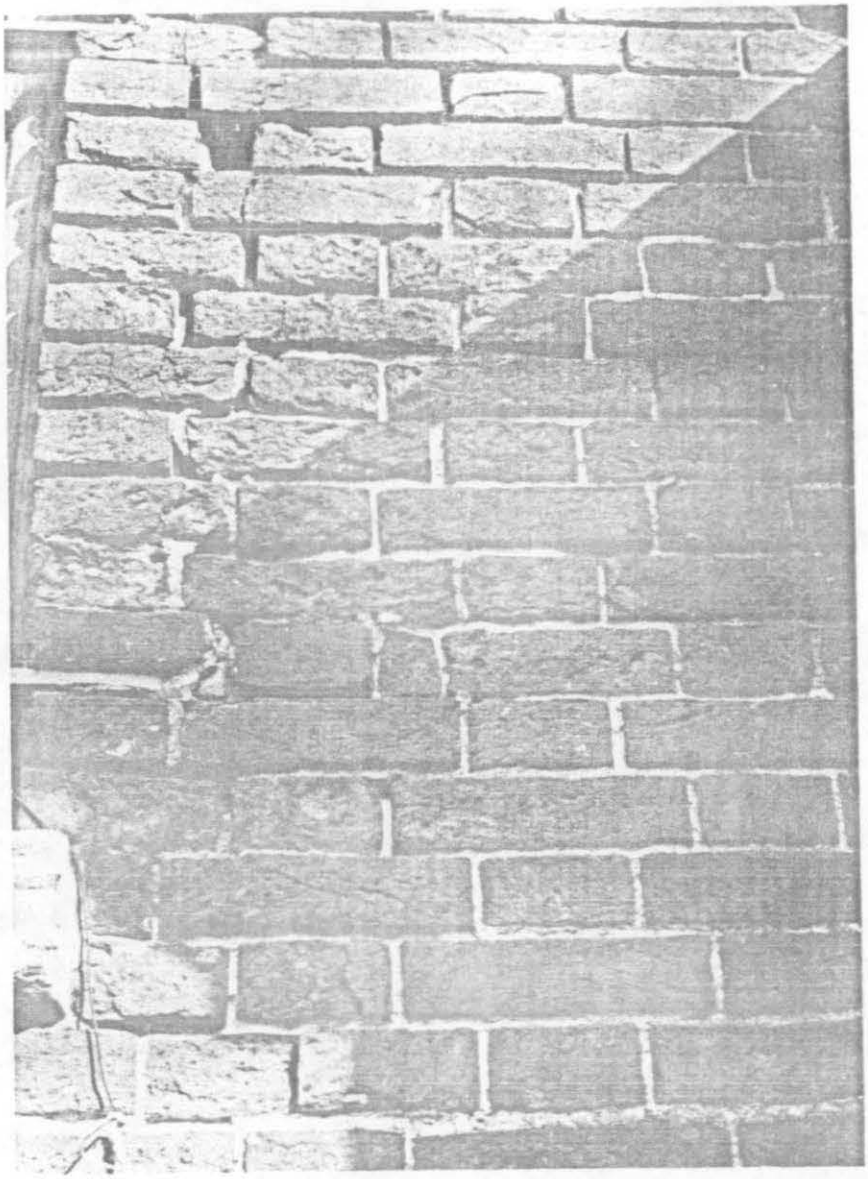


Figure 6. South Wall Brick of The First Bank Showing Loss of Mortar, Breakage and Excess Wear.



Figure 7. Stonework over a Window of The First Bank Needing Consolidation.

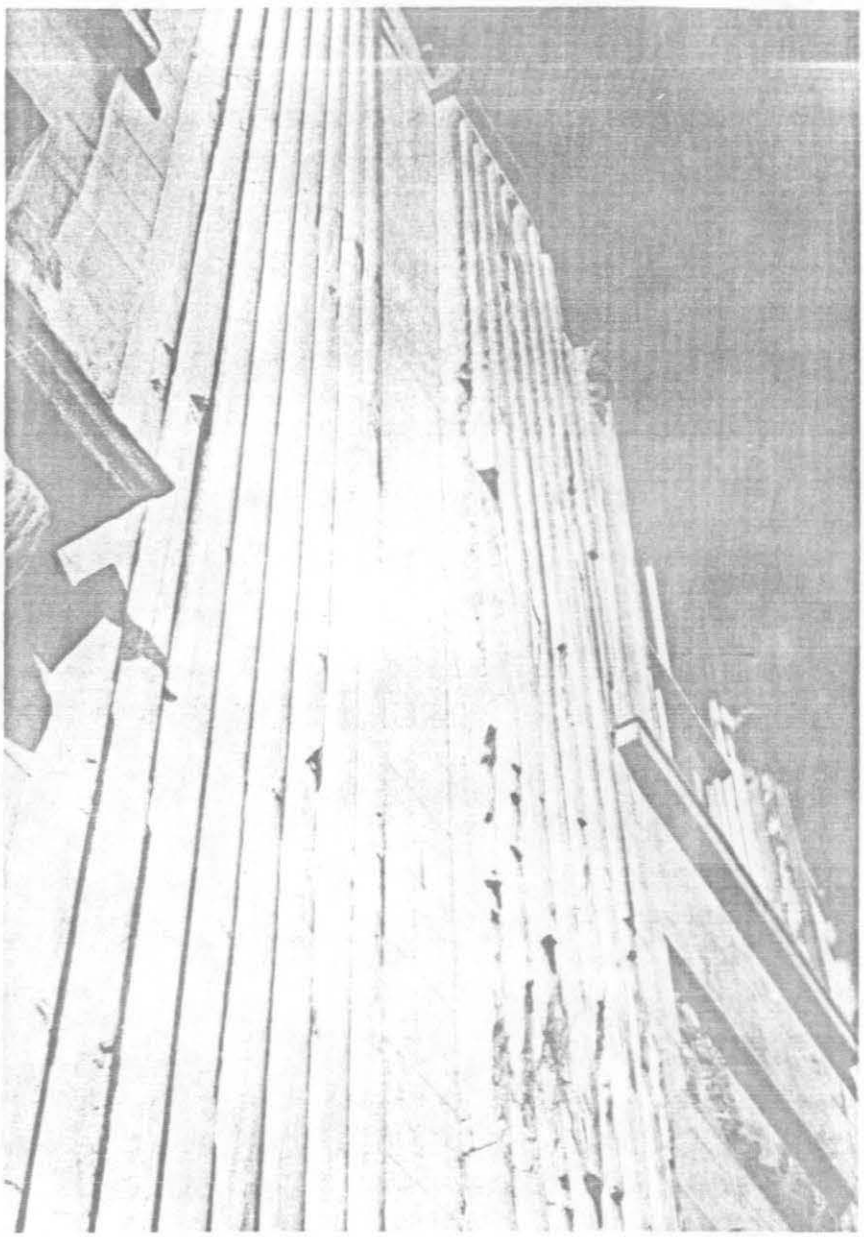


Figure 8. Stone Flutings on the Front of The First Bank Showing Excessive Exfoliation Along Bedding Planes.

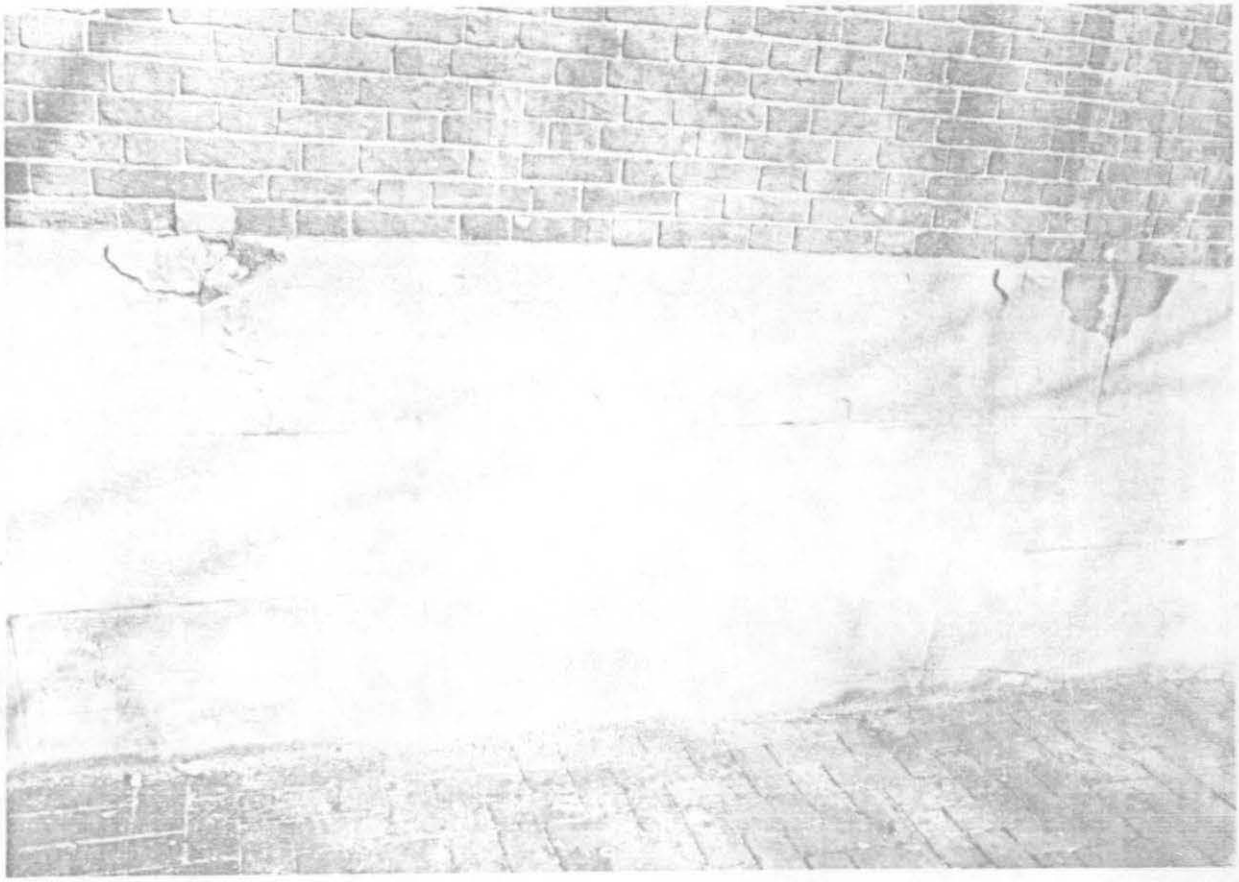


Figure 9. Stonework Along South Wall Showing Breakage from Expansion of Rust on Buried Beams.



Figure 10. A Close View of the Rusted Steel that has Broken off Pieces of Marble.



Figure 11. Window Sill on Southern side of Building Showing Deterioration of Marble.

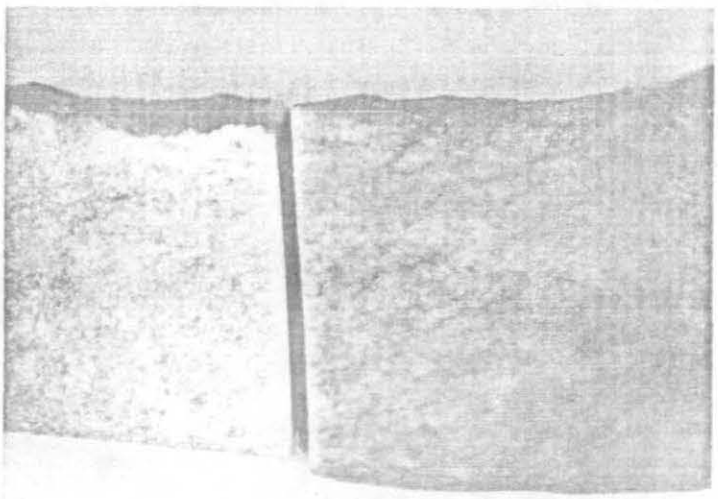


Figure 12. Marble from The First Bank Cleaned and Treated Deeply with Epoxy on Right Sample. The Darker Appearance is Due to Reduced Reflection of Light.

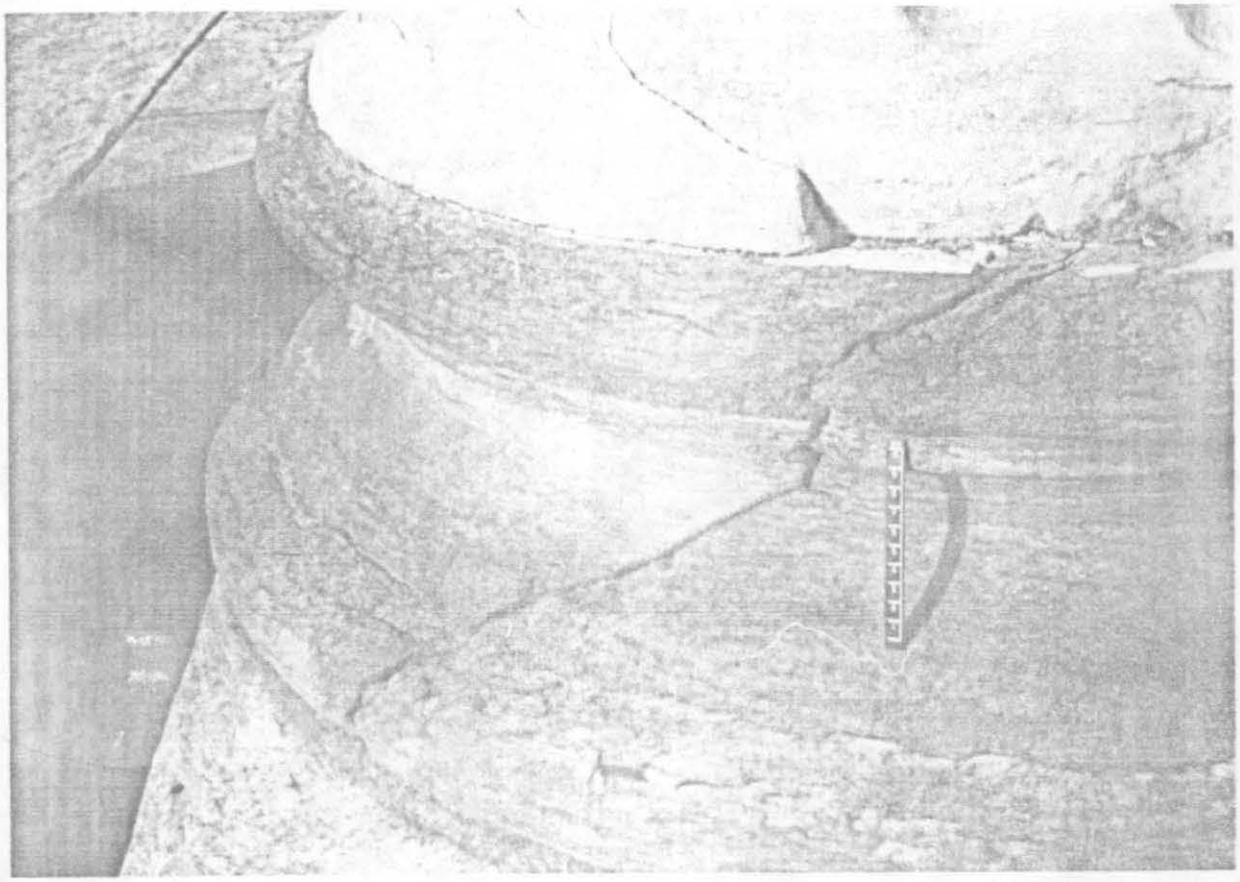
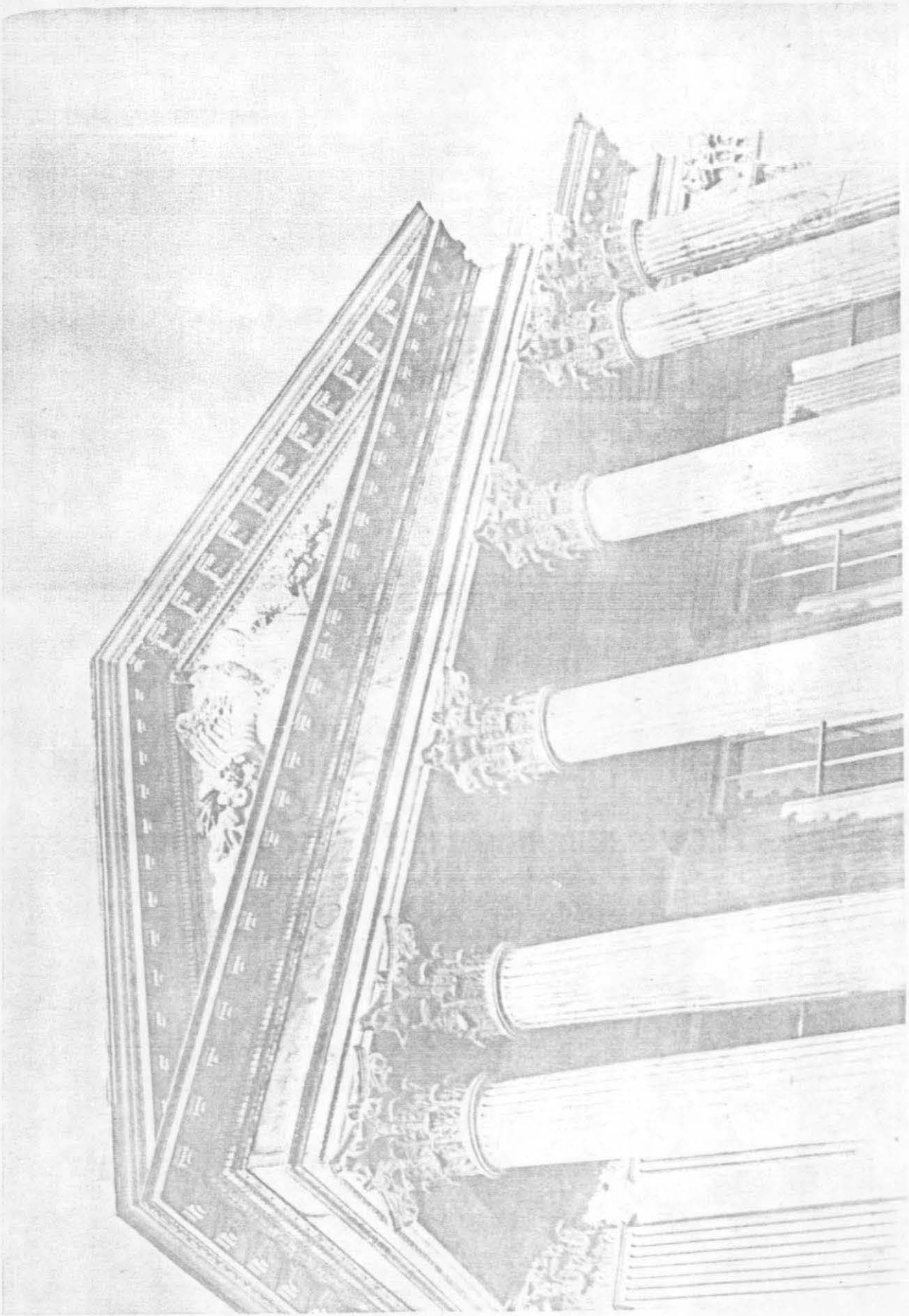


Figure 13. Column Base (Second from Southern End) Showing a Deep Crack. Note that the Stone is Still Wet from Rain the Day before the Photograph was taken.



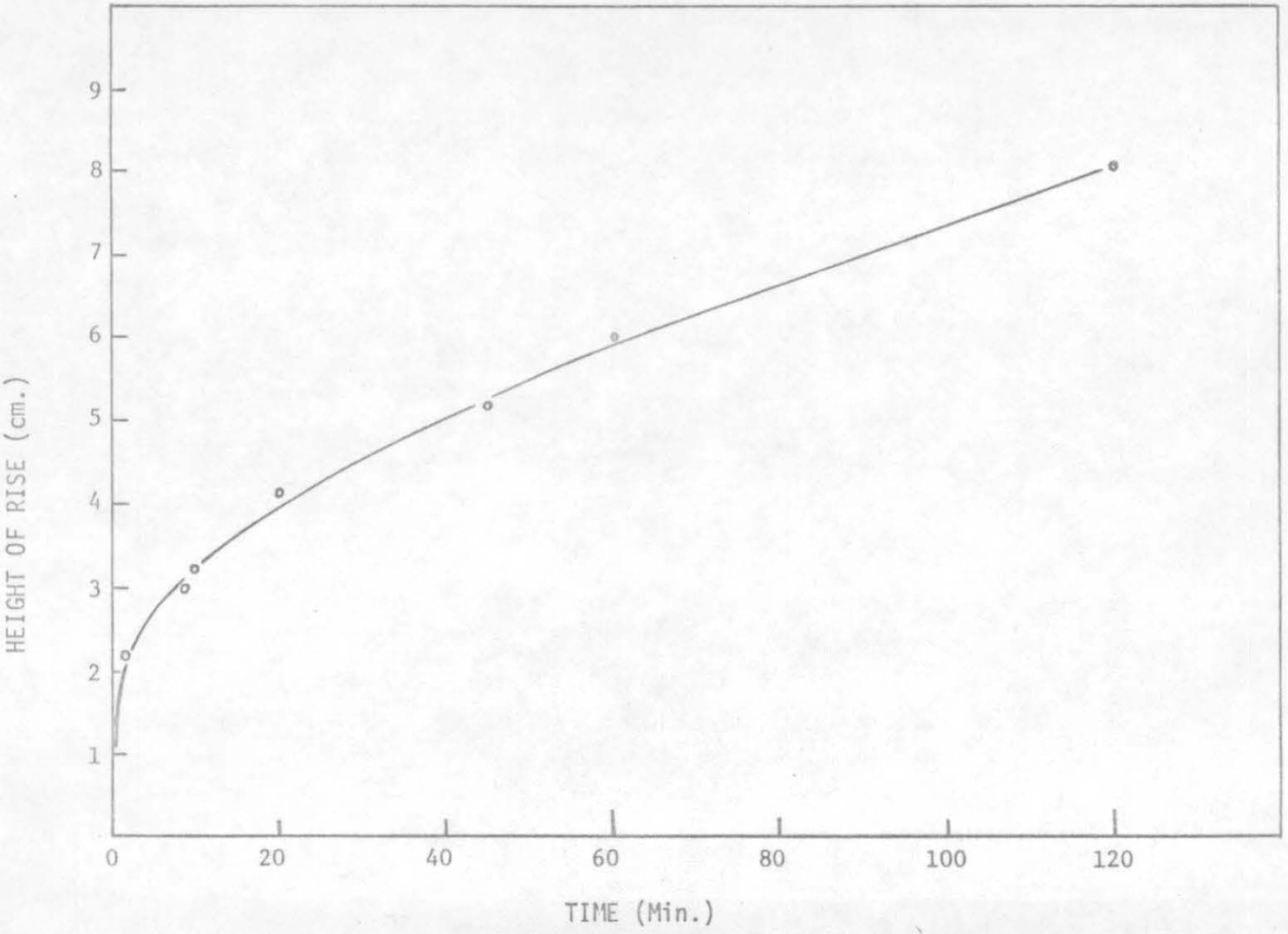


FIGURE 15: The Rate of Capillary Rise of Water Through an Old Hand Made Brick from Independence National Historical Park.