

specie. It appears that this bank did not possess that amount of specie at that time; but, from the arrangement made with the Bank of Mobile, we have no doubt but it will have the amount required on the 1st day of July next. The Bank of Mobile has agreed to furnish five hundred thousand dollars in specie, (\$500,000,) twenty thousand dollars of which have been received; and two hundred and eighty thousand dollars are on special deposit in that bank, and the balance to be paid in April next. We can see no objection to the method adopted to replenish the vault; possibly it was the best that could have been devised in the present situation of this bank.

Neglect of duty by officers.

We find, on the minutes of the board of directors, a resolution directing the cashier to charge to profit and loss account the sum of nine thousand one hundred and thirty three dollars, and nineteen cents, (\$9,133 19.) Upon an examination of this matter, it appears that the Planters and Merchants' Bank of Mobile forwarded a bill of eight thousand dollars (\$8,000) to this bank for collection, which was not paid at maturity; and through the negligence of some one of the officers, the bill was not duly protested, and the bank thus made liable for the payment of the bill, which fell due January 14, 1840.

Two other bills, amounting to one thousand four hundred and thirty dollars and forty cents, (\$1,430 40,) are in a similar situation, and probably will be charged to the same account, with damages and interest.

We cannot forbear expressing the opinion, that the president and directors have been very remiss, for several years past, in not making at least an effort to effect a final settlement of the account of the first attorney of the bank at this place; as it appears that the bank now holds his receipts for the sum of sixty-one thousand six hundred and sixty-one dollars and seventy-nine cents, (\$61,661 79,) which seems now to be unsettled; and perhaps in a short time, if not already, the statute of limitation may operate as a bar to a recovery, should any thing be found due to the bank. And we have remarked other inattentions—particularly where debtors have removed out of the limits of the State, the directors seem instantly to lose sight of the claim of the bank. Several instances of this kind have been brought to our notice.

We deem it important to the interest of the bank, that the Legislature should authorize the president and directors to appoint a notary public, to act specially for this institution.

Mutilation of the check-book.

We see by the minutes of the board of directors, that a leaf has been abstracted from one of the original entry books, (viz; the check-book,) comprising the business record of two days—the 8th and 9th of July, 1839. A committee of investigation was appointed to substitute the items on the missing leaf from the postings into the general ledger; and, if possible, to ferret out the cause that led to the mutilation of this book. It seems that the result of the investigation has been unsatisfactory; but as it contains many facts in relation to this matter, we herewith transmit a copy of their report, marked No. 5, as containing all the light that a laborious investigation has thrown upon this subject.

State of

LIABILITIES.	
Capital stock	.....
Circulation account	.....
Individual depositors	.....
Common school fund	.....
Partial payments	.....
Sinking fund	.....
Discounts received	.....
Interest received	.....
Premium received	.....
Bank of America, New York	.....
Merchants' Bank of New York	.....
Branch Bank at Decatur	.....
Bank of Mobile	.....
Surplus revenue United States	.....
Cotton account	.....
To balance down	.....

From the above exhibit the capital stock is less error may be accounted On the 7th day of May the capital stock to be On the 14th of the same It would then appear reason assigned for the ture of 1838 and 1839 of \$10,000: this amount constitutes a part of the capital stock in the general On the 8th of June the capital ed to \$1,681,072 78, w the amount which he is evidently an error corrected to this time. The excess in bills and we are unable to There is also a difference of \$176 51, being cash books. The above specifies of the bank, and the

State of the bank on 27th October, 1840.

LIABILITIES.		RESOURCES.	
Capital stock	\$1,766,906 09	Notes discounted	\$2,330,172 40
Circulation account	2,370,225 50	Bills of exchange	1,711,954 59
Individual depositors	392,809 03	Real estate	38,614 59
Common school fund	214,726 66	State tax	6,078 60
Partial payments	154,519 49	Interest to State loan	23,000 00
Sinking fund	252,954 71	Current expense	17,118 12
Discounts received	52,141 62	Branch Bank at Mobile	17,969 26
Interest received	85,898 44	Branch Bank at Montgomery	4,589 92
Premium received	26,115 24	Branch Bank at Huntsville	23,656 59
Bank of America, New York	16 45	Bk. of Mobile, special account	400,000 00
Merchants' Bank of New York	271 85	Planters and Merchants' Bank	6,818 12
Branch Bank at Decatur	17,209 02	Phoenix Bank, New York	242 96
Bank of Mobile	105,624 20	Com. Bank, Columbus, Miss.	400 00
Surplus revenue United States	133,817 79	Office bank U. S. Mobile	379 67
Cotton account	648,044 26	Bank of Louisiana	22,033 25
To balance down	30,340 89	Notes in transitu	14,437 00
		Profit and loss	15,303 02
			4,632,372 15
		CASH.	
		Notes of other banks	\$300,936 50
		Circulation	1,018,129 50
		Specie	20,163 09
		Specie in transitu	280,000 00
			1,619,249 09
	6,251,621 24		6,251,621 24
		By balance down	30,340 89

From the above exhibit of the present state of the bank, it will appear that the capital stock is less by \$10,000 than as stated by the cashier. This error may be accounted for in the following manner:

On the 7th day of May, 1839, the cashier, in his weekly statement, reports the capital stock to be \$1,691,072 78.

On the 14th of the same month, as being 1,681,072 78.

It would then appear that the capital stock was reduced \$10,000. The reason assigned for this difference in the two amounts, is, that the Legislature of 1838 and 1839 made an appropriation of the three per cent. fund, of \$10,000; this amount was charged to the three per cent. fund, which constitutes a part of the capital stock; and should also have been charged to capital stock in the general ledger, which was omitted to be done. On the 8th of June the capital stock was increased \$66,666 66; which amount, added to \$1,681,072 78, would make \$1,747,739 44; instead of \$1,757,739 44, the amount which he reports to the board on the 11th of June, 1839. Here is evidently an error of \$10,000, which has been continued, and stands uncorrected to this time.

The excess in bills and notes, of \$20,164 38, has been already alluded to; and we are unable to add any further explanation on this subject.

There is also a difference between our statement of cash and the cashier's, of \$176 51, being cash in his hands more than is required to balance his books.

The above specified three items comprise the difference between our statement of the bank, and the cashier's.

State of the Bank of the State of Alabama, November 3, 1840.

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Doc. No. 111.

Capital stock	\$1,776,906 09	Notes discounted	\$2,273,343 69
Circulation account	2,370,225 50	Bills of exchange	1,748,334 98
Individual depositors	424,885 31	Real estate	38,614 59
Common school fund	214,767 41	State tax	24,406 91
Partial payments	154,591 43	Interest to State loan	36,435 58
Sinking fund	252,954 71	Current expense	17,141 87
Discount received	52,147 82	Branch Bank at Mobile	17,969 26
Interest received	85,967 52	Branch Bank at Montgomery	4,589 92
Premium received	24,834 77	Branch Bank at Huntsville	23,656 59
Bank of America, New York	16 46	Bank of Mobile, special account	400,000 00
Branch Bank at Decatur	17,271 52	Planters and Merchants' Bank, Mobile	6,125 12
Bank of Mobile, general account	105,784 45	Merchants' Bank, New York	2,994 24
Surplus revenue United States	133,817 79	Phenix Bank, New York	242 96
Cotton account	655,188 97	Commercial Bank, Columbus, Miss.	4 00
		Office Bank United States, Mobile	379 67
		Bank of Louisiana, New Orleans	22,033 25
		Notes <i>in transitu</i>	14,437 00
		Profit and loss	15,586 47
			4,646,296 30
		Cash—Notes of other banks	\$308,122 00
		Circulation	1,014,509 50
		Specie in vault	15,431 95
		Specie <i>in transitu</i>	280,000 00
		Gold	5,000 00
			1,623,063 45
	6,269,359 75		6,269,359 75

WM. HAWN, Cashier.

State of the sinking fund of the
 and branches on the 1st of
 forwarded to the president of
 proposed January 10, 1835.

1840.	BANK OF THE
Oct 1	By balance of sinking
Oct 1	By probable net profits
	BRANCH OF THE ST
Oct 1	By net profits prior to
Oct 1	By net profits since N

State of the Bank of the

Capital stock	\$1,757
Circulation account	330
Individual depositors	452
Common school fund	201
Partial payments	117
Sinking fund	279
Discount received	12
Interest received	9
Premium received	2
Bank of America, New York	1
Merchants' Bank, New York	302
Branch Bank at Montgomery	1
Branch Bank at Decatur	76
Bank of Mobile	14
Planters and Merchants' Bank,	29
Mobile	133
Surplus revenue U. States	243
Cotton account	243
	\$3,962

Memorandum of agreement b
 Alabama and the Bank of Mo
 1840.
 The State Bank agrees to t
 her credit, and also her bil

The books of the bank during that whole period seem to be in great confusion, with errors almost on every page; to correct which, it would require, in the opinion of your committee, the services of at least two competent clerks for twelve months. All of which is respectfully submitted.

J. M. WITHERS, *Chairman*
 JOEL WHITE,
 JAMES HOGAN,
 SAMUEL G. FRIERSON.

State of the Bank of the State of Alabama, October 27, 1840.

LIABILITIES.	
Capital stock	\$1,776,906 09
Circulation account	2,370,225 50
Individual depositors	392,809 03
Common school fund	214,726 66
Partial payments	154,519 49
Sinking fund	252,954 71
Discount received	52,141 62
Interest received	85,898 44
Premium received	26,115 24
Bank of America, New York	16 45
Merchants' Bank, New York	271 85
Branch Bank at Decatur	17,209 02
Bank of Mobile	105,624 20
Surplus revenue, United States	133,817 79
Cotton account	648,044 26

RESOURCES.	
Notes discounted	\$2,273,427 69
Bills of exchange	1,748,534 98
Real estate	38,614 59
State tax	6,078 60
Interest on State loan	23,000 00
Current expense	117,118 12
Branch Bank at Mobile	17,969 26
Branch Bank at Montgomery	4,589 92
Branch Bank at Huntsville	23,656 59
Bank of Mobile, special acct	400,000 00
Planters and Merchants' Bank, Mobile	6,818 12
Phoenix Bank, New York	242 96
Commercial Bank, Columbus, Mississippi	4 00
Office Bank U. States, Mobile	379 67
Bank of Louisiana, N. Orleans	22,033 26
Notes in transitu	14,437 00
Profit and loss	15,303 02

CASH.	
Notes of other banks	\$300,941 00
Circulation	1,017,728 50
Specie in vault	15,403 08
Specie in transitu	280,000 00
Gold	15,000 00

6,231,280 35

WM. HAWN, *Cashier*.

Resolution adopted by the House of Representatives, relative to the loan from the State Bank to the Bank of Mobile.
Resolved by the House of Representatives of the State of Alabama, That the president of the Bank of the State of Alabama communicate to this House the authority in the charter by which said bank loaned to the Bank of Mobile seven hundred thousand dollars; at what rate of interest; if over six per cent., how much; if under, how much under; what security taken; if by note or notes, the names of principal and securities; if by bill or bills, the names of drawers, endorsers, and acceptors.

And also, whether or not, if it had been loaned to the city of Mobile, for the purchase of a more full circulation neighborhood of the bank, could have obtained the means of discharge, and by promote the prosperity of the city.
 Read and adopted, November 1st, 1840.

Answer of the president of the Bank of the State of Alabama.

Sir: A call has been made contained in a resolution annexed on the 25th instant. In reply to the first question, a loan has been made to any branch by the report and accompanying to the House of Representatives, that this bank effected half a million of dollars in specie to you with the report. The terms of that arrangement, and I am contented with the Bank of Alabama embraced in the resolution. Whilst on this subject, I have not from one bank to another; for at Mobile in November, 1838, and twenty-five dollars and was credited to that branch at Decatur, in June and August dollars (\$75,000) in specie placed in general account, and dependent and directors drew bills of engagements; such an idea of ality.

In respect to the second question, it has been seen that the board of directors on the 1st of February last to the amount of sixty-one thousand three hundred and four cents (\$61,388 44); as much as the bank could do. Who does not see the amount of half a million of dollars of the city of Mobile—the South Alabama must be discommodated. In short, this bank had a great accommodation, indicated

Report of the commissioners appointed to examine the Bank of Mobile.

*To the Senate and House of Representatives of the
General Assembly of the State of Alabama:*

The commissioners appointed by his excellency the Governor of the State, by virtue of an act of the General Assembly to examine into the condition of the Bank of Mobile, beg leave to report: that they commenced their duties on the 14th September, 1840, and from day to day pursued their inquiry until they were satisfied they could present truly the condition of said institution, which may be stated as follows:

General statement of the Bank of Mobile on October 3, 1840.

Real estate	-	-	-	-	\$22,020 00
Bills and notes	-	-	-	\$1,097,136 06	
Bills receivable	-	-	-	654,061 73	
					<hr/>
Expenses	-	-	-	-	1,751,197 79
Exchange in sterling	-	-	-	-	10,907 30
Exchange on New York, New Orleans, &c.	-	-	-	-	18,334 80
Williams, Deacon, & Co., London	-	-	-	-	170,385 07
Reid, Irving, & Co., London	-	-	-	-	83,016 09
Suspended debt secured by the stock of the bank	-	-	-	-	15,150 00
Suspense account	-	-	-	-	134,400 00
Specie—Gold	-	-	-	\$88,836 65	24,227 41
Silver	-	-	-	214,211 40	
					<hr/>
Notes of the State Bank and branches	-	-	-	-	303,048 05
Due from various banks	-	-	-	-	1,207,452 75
					135,244 63
					<hr/>
					3,875,383 89
					<hr/>
Capital stock	-	-	-	-	\$1,500,000 00
Profit and loss	-	-	-	\$192,233 83	
Discount, interest, and exchange	-	-	-	28,735 88	
					<hr/>
					220,969 71
Unclaimed dividends	-	-	-	-	5,208 87
Due to sundry banks	-	-	-	-	1,151,223 26
Treasurer United States	-	-	-	-	340 00
Individual depositors	-	-	-	-	961,559 05
Circulation	-	-	-	-	36,073 00
					<hr/>
					3,875,383 89

By this statement it will be perceived that the bank has but a nominal circulation of \$36,073; a large portion of which the bank will never be called on to redeem, from the necessary loss of its notes by time and accident. The means to satisfy its other creditors seem to be very ample, and to place the bank in a position of great strength. Its ready liabilities may be set down (in round numbers) at \$2,254,000; while its ready means are \$1,914,000, exclusive entirely of their bills, and notes and bills receivable, amounting to

\$1,751,197.79. Besides at home and abroad, which are its resources.

The commissioners were to be legitimately carried; but of the institution, but rather the character of the bank, and find that, in view of the debts were contracted, and the debts are very well secured.

By the 13th section of an act for the suspension of specie payments "in its vaults" on the 1st of January, 1840, an examination of the office of the bank on that date there was in the bank. From an inspection of the books of the institution, we find also that, their agent in New York had purchased on account of specie the said specie was shipped to the bank so that on the last-mentioned date there was in the bank \$331,139 in specie.

The committee would not object to the accommodation rendered by the bank was consistent with its health and the reach of contingencies. It was at the last annual report of the bank that all of which is respectfully

*Reports of the commissioners
of the State of Alabama
to the members of the Legislature*

*To the honorable the Senate
of the State of Alabama*

The undersigned commissioner was appointed to examine the condition of the Bank of Alabama at Decatur, respectively.

In consequence of the prevalence of the autumnal diseases of the State, the bank was not ready for the annual meeting of November last. The investigation was not completed until the 19th of December. The present board of directors, in the course of their domestic pursuits, little occupied with the business of the bank, assumed, however much it

Report of the commissioners appointed to examine the Planters and Merchants' Bank of Mobile.

To the honorable the Senate and House of Representatives of the State of Alabama, in General Assembly convened.

The undersigned commissioners, appointed by his excellency the Governor to examine into the condition of the Planters and Merchants' Bank of Mobile, respectfully submit the following statement of the situation of its affairs, as made out on the 22d ult.; and beg leave to append thereto the accompanying explanatory remarks.

Statement of the condition of the Planters and Merchants' Bank, October 22, 1840.

DR.		
To capital stock paid in	- - - - -	\$1,773,900 00
To individual depositors	- - - - -	653,654 64
Due other banks	- - - - -	76,981 89
To unclaimed dividends	- - - - -	\$28,294 60
To profits	- - - - -	41,842 95
		70,137 55
Circulation—notes issued, including four and six months' post notes, part due	- - - - -	1,290,000 00
Deduct redeemed of the above	- - - - -	1,233,180 00
Amount in circulation, payable on demand in specie	- - - - -	56,820 00
Twelve months' post notes issued	- - - - -	450,000 00
On hand	- - - - -	76,010 00
Amount in circulation payable in April, May, and June, 1840	- - - - -	373,990 00
		3,005,484 08
CR.		
Notes discounted, running to maturity	- - - - -	\$1,099,203 20
Bills receivable	- - - - -	327,755 48
Suspended debt	- - - - -	766,721 03
Exchange	- - - - -	59,176 75
Due from other banks	- - - - -	50,360 94
Real estate and banking-house	- - - - -	245,198 88
Suspense account	- - - - -	31,161 09
Current and permanent expense	- - - - -	7,354 79
Protest account	- - - - -	1,631 74
Notes of other banks	- - - - -	168,775 00
Specie—in gold	- - - - -	\$159,670 05
in silver	- - - - -	88,455 13
		248,125 18
		3,005,484 08

From the above exhibit, it will be apparent that the immediate liabilities of the bank on the 22d ultimo, when the statement was prepared, were

\$815,751 13; to meet means immediately availing running to maturity; \$ paper, and will mature the usual course of bus-

In the management pursued a line of policy have not been able to facilities which, under sirable. While, however of suspension, and the ic payments within great extent, conjectur- tance with this bank to be prepared for any at the directors of the ba accommodations which city.

The bank, being th its ability to promote t good paper, and in the has also deemed it adv fulness continue, to de and other debts due tl placed in a position t and the banks in this.

In the prosecution negotiations by which their immediate cont which it was taken at sioners, be such as ca at no distant day. T commissioners were consummated since tl

pleted at an earlier d under a more favoral advantage to the ba having a debt, which situation to be realiz-

The commissioner in their inquiries as t of opinion that, by be realized, and the pair the stability of t debts due the bank mated at about \$100 hance to that amou-

The bank had in i a sum fully adequat

The institution, al in specie, is, in the a condition to resu-