

REPORT

OF THE

BANK COMMISSIONERS,

TO THE

GENERAL ASSEMBLY,

May Session, 1841.

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1841.

REPORT.

*To the Honorable General Assembly of the State of Connecticut,
now in session at Hartford:*

The subscribers, Bank Commissioners, respectfully REPORT:

That soon after the appointment of one of your Commissioners in January last, we addressed circulars to all the Banks in Connecticut, requiring from them a statement of their condition (agreeable to a form sent) for the months of February, March, and April. We also prepared and sent to the different Banks, our interrogatories, informing them that we should call in person, at a future day, and receive their replies in writing. We took this method in order that they might be prepared with their answers, and thus cause as little delay at their banking houses as possible.

Immediately after receiving the statements, which were to guide us in our examinations, we commenced our visits to the Banks, and continued them at different times until the last of April, when our examinations closed. As our questions were not numerous, but full and explicit, we were disappointed that some of the Banks neglected to make satisfactory answers. Still we do not intimate that this was done with a wish to defeat the objects which the Commissioners had in view.

In some cases, we could not conveniently ascertain the amount loaned to directors, an object which we particularly wished to accomplish. The loans thus made are often to a great extent, and tend to embarrass the Banks in their accommodations to other borrowers; especially, when money is

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scarce and commanding a high rate of interest. Directors, at this time, are quite sure to be accommodated, to the exclusion of others, equally, if not more, deserving. The direct loans to directors in fifteen of our Banks, of an aggregate capital of only \$2,438,242 50; on the 10th day of February last, amounted to \$311,498 57, and their notes in some Banks are often, if not usually, run in full, and that as frequently as requested. Some such loans are about as old as the charter of the Banks. In some Banks, the directors are indebted an amount nearly equal to one third of their capitals, for accommodation paper only; and with their whole liabilities, their indebtedness would amount to about one half the capitals of these Banks. We notice the total liabilities of one director in a Bank, the capital of which is about \$50,000, to be \$18,166 50, being more than one third of the whole capital of the institution. In another Bank of small capital, two of its directors became indebted for a large sum; and after a course of years, by a compromise, the Bank sustained an actual loss of \$5,217 97. At the same board of directors, in 1837, another debt was created by a loan to a director of said Bank, on which the loss will probably amount to between 16 and 1700 dollars. The liabilities of another director in the same institution, for debts created in the same Bank in 1837, amount to \$14,850, which may be considered secured; it has, however, been two years in the law, and is not yet collected.

The Banks, in our opinion, are by their charters required to choose too great a number of directors. Nine directors would be quite sufficient in any Bank. Under the control of so small a number of directors, the business of the institution would be better managed, and the capital of the Bank would not be so often put at hazard by that numerous class of borrowers. Could we have directors that are not borrowers at all, or only to a very limited extent, it would be a salutary improvement, and would result both in the safety and profit of the Banks. Bank directors, who are not borrowers, are frequently the least punctual in their attendance, while those who are the greatest debtors, and want further accommodations, are

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not often found absent from the board. The directors of a Bank are the chosen representatives of the stockholders, and by their acceptance of the trust, are bound to guard the public and the stockholders, and ought to feel it their duty to attend punctually and faithfully, and see that all the business is done prudently and discreetly; and one of their first principles on which to ground or constitute a loan, should be security, ample, and beyond all question. Managers of Banks, are, at certain times, keen-sighted, and scrupulous, as regards the security of paper offered for discount; but they may not be so eagle-eyed in respect to their own, or other directors' paper. They are under a solemn obligation in accepting their trust, not only involving the means of the more wealthy part of the community, but the scanty pittance of the widow and orphan, and the hard earnings of the mechanic, farmer, and laborer. From misplaced judgment, and recklessness of consequences, the directors of some bankrupt institutions have brought direful distress and ruin, on thousands of that portion of our community to whom allusion has just been made.

The direct liabilities of directors, prior to last June, could by law exceed the whole capital of some of our Banks, and in many instances they were entitled to borrow directly double, and in some instances three times the whole amount of the capital. The law passed last spring was very salutary. Still there is room for improvement by some legislative enactment, and we are of the opinion that no director should ever be a direct borrower over a certain rate per cent. of the capital stock of the Bank; and also not exceeding another rate per cent. for his total liabilities. Two features in Banks of primary importance, are; 1st. That the directors should own a respectable amount of the stock; and 2ndly. That they should not be borrowers at all, or only to a very limited amount. When directors are small stockholders, their proportion of the losses which the institution may sustain, would be of little importance to them, and it cannot be expected of such officers that they will exercise the same care and prudence in the management of the Bank, as would those owning largely in

the institution. In general, these small stockholders, who are directors, meet with the board only to benefit themselves. The stockholders often appear to care little as to whom the interest of the institution is entrusted; for they scarcely ever attend an annual meeting to elect its officers. No stockholders, other than the directors, ordinarily meet at the annual election, and they, not to choose exactly, but to announce who are to be directors, it being generally understood and agreed upon, prior to said meeting, of whom the direction is to consist.

The practice of some Banks to confine their discounts exclusively to business paper, or paper that is subject to no renewal, is a great innovation, and denies to a worthy class of borrowers those facilities and advantages to which they are entitled, in common with those of more various and extended business. It cannot be doubted that there is a class of borrowers of limited business whose requests for Bank favors are small and infrequent, and for whom some accommodation, by way of renewal, is proper. We are totally averse to making dead loans, whether to directors or any other persons, and did not mean to be understood to encourage discounting accommodation paper, except to a limited amount. The life of a Bank consists in doing strictly business paper, having a short time to run; say, notes and drafts payable in full at points most desirable, viz. at the counter, New York and Boston, avoiding all paper drawn without expected funds to meet the same at maturity, which are in danger of becoming shelf paper or something worse. In general, such loans will call for a redrawing, and the affair may be managed with such shrewdness and sagacity, as to put the directors off their guard, and cause trouble and embarrassment to the institution. In some parts of our State an abundant supply of legitimate business paper is offered at the Banks, and it merits and receives a preference; and at those places, it will soon compose most, if not all their Bills Receivable; thus giving activity to every laudable business enterprise. The legitimate business of Banks is not to take the risk and delay of money loans, but to facilitate business already established,

and to give it strength to extend itself upon capital that furnished by these institutions. Savings societies and capitalists, not requiring early returns for their money, can better aid the borrower who proposes to erect a fortune upon its use, by a loan of money, than Banks; and are usually ready to do so in cases where the borrowers are entitled to credit. The character of a Bank depends upon its officers, and were they not too frequently compelled to sustain their private business by large accommodations from the Banks, much of the malpractice witnessed would be avoided.

Some of our Banks continue to loan large amounts out of the State. Others have a considerable proportion of their capital in Treasury notes. This latter investment, when sufficient good paper at home is not offered, cannot be questioned as a safe and proper use of their spare funds.

With regard to loans out of the State, your Commissioners are of opinion that many of them originated directly in the purchase of notes, bonds, and drafts in New York. Three of the Banks in New Haven cannot advantageously use all their capital at home, and we see no objection to employing it abroad, provided they adhere strictly to taking discount at the rate of six per cent. only, per annum. All such notes, drafts, &c. are entered on their discount journal, and interest computed at 6 per cent. per annum; the excess is taken for exchange on New York, and is so entered on their exchange account, except in one Bank, where the discount and exchange were carried out in one column together. Banks have hitherto taken large sums by way of exchange. In many instances, extravagant rates of interest and exchange, far greater than any noticed by the undersigned, and they have been reported by our predecessors, to the Legislature. The Banks apparently consider this practice justifiable, and they now appear to manage as suits their interest and convenience. Your Commissioners would, however, here allude to a new and most singular item of exchange some time since taken by a few Banks in this State. Where drafts or notes payable in New York or Boston have been discounted by these Banks,

the notes of the Bank were received by the maker or offerer of said drafts or notes, or the amount passed to the credit of said maker or offerer. Still these Banks have taken $\frac{1}{2}$ to $1\frac{1}{2}$ per cent. for the exchange; say generally $\frac{1}{2}$ per cent. per month for the time the drafts or notes had to run. Here then, exchange has been taken to half the amount of the interest for paper discounted, and payable at a point the most desirable to the Bank. We submit to the wisdom of the Legislature the propriety of Banks covering up, under the entry of exchange, transactions that appear, to say the least, of doubtful character. If a law should be passed, fixing a certain rate for exchange on New York, Boston and Providence, the Banks would not readily violate its provisions.

Another transaction, quite exceptionable in the opinion of the undersigned, is loaning Philadelphia funds by our Banks at par, while they were at a large discount, and receiving good and satisfactory notes and drafts, payable at their own counter, or at New York, for the full amount of such depreciated currency.

The propriety of making large loans to an individual or company, by Banks of small capital is questionable: for, if a Bank loans \$10,000 at a time, on a capital of 50 or 100,000 dollars to any person or co-partnership, and the money should be lost, it would take, in the one case, three years to make good the capital, and eighteen months in the other. One Bank would be obliged to pass six dividends, and the other three, allowing that no other losses would occur during the time the dividends should be thus suspended, which is, by no means, certain. If Banks of a capital of a million and upwards should thus loan and lose 10,000 dollars, it would not amount to one per cent., and would scarcely be noticed in making up their dividends. We observed that a loss had been sustained of upwards of 10,000 dollars by a Bank of small capital from loans to a single individual or to a company, and institutions where capitals are not large, should not readily hazard upon one loan, so great an amount of their funds.

Before proceeding further, your Commissioners would re-

mark that they have no hesitation in saying that the bill holders and depositors are perfectly safe for all their demands against any and all the Banks; but to say no more, would be saying quite too little to entitle our Banking Institutions to as much credit as they deserve. The stockholders have claims, though not to the same degree, and their interests should not be passed by unnoticed. We have, with regret, observed that a portion of the capital stock of some of our Banks has been divided out to the stockholders under the name of dividends earned, although strictly prohibited by an act of the Legislature passed in 1837: in which it is enacted that "no dividend shall ever be declared by any Bank, which shall exceed in amount the nett profits actually in the Bank at the time of declaring the dividend." The Banks that have disregarded this statute, (though doubtless often admonished by our predecessors,) cannot with a sense of duty and propriety, be overlooked by the undersigned, as we are not only bound to protect the public, but to see that the Banks are managed and conducted according to law; and such as we consider have acted in direct violation of the statute will appear by an examination of the following statements and our notes thereto annexed.

We here insert a statement of the condition of the several Banks in this State, as reported to us in February last, in order that the public and stockholders may understand more fully the situation and condition of each.

STATEMENT OF THE CONDITION OF THE STAMFORD BANK, on the 10th day of Feb: 1841.

LIABILITIES.

Capital stock, paid-in, viz.	
Transferable, owned by citizens of this State,	\$66,915 00
Owned by citizens of other States,	23,085 00
	90,000 00
Bills of the bank in circulation,	51,740 00
Balances due to other banks, viz.	
Banks of this State,	1,181 29
Deposits not bearing interest,	18,309 26
Deposits bearing interest,	113 38
	18,422 64
Dividends unpaid,	766 25
Surplus fund or profit and loss, after declaring last dividend,	1,600 38
Discount earned since last dividend,	1,718 89
	Total amount of the liabilities of the bank, - \$165,429 45

ASSETS.

Real estate other than the banking house,	550
Bills of solvent banks, out of this State,	1,504
Balances due from other banks, viz.	
In this State,	450 27
Out of this State,	58 63
	508 90
Gold, silver, and other coined money belonging to the bank,	4,305 40
Stock of other banks owned by this bank,	18,160 00
Funds in the hands of agents in New York and elsewhere,	22,151 53
Debts due the bank, viz.	
From directors of this bank,	7,316 09
Other individuals in this State,	36,378 92
out of this State,	69,554 61
	113,249 62

Other property belonging to the bank, not above specified,	5,000 00
Total amount of the resources of the bank,	\$165,429 45

This bank had to the credit of profit and loss, a surplus fund, after declaring the last dividend, of only	1600 38
Suspended debt due from E. M. Morgan & Co. balance on ledger, Sept. 2, 1839,	7006 05
Bonus, \$5000. Vault expenses, \$550,	5550 00
Suspended debts in notes, from one to five years standing, 34 in number,	14,625 26
	\$27,181 31
Sandusky bank stock, par value,	4,000 00
Exchange bank Do. " " "	160 00
City bank Do. " " "	12,500 00
Dutchess county bank, " " "	1,500 00
	\$18,160 00

All the above were placed as assets of the bank, at the time of our visit there, 24th Feb. 1841; and we then enjoined that no dividend should be made at present, in consequence of the amount of protested paper then on hand, and much of it, to say the least, of doubtful character. Still, we learn that a dividend was made on or about the 1st of March last.

FAIRFIELD COUNTY BANK, 9th Feb. 1841.

Capital stock paid in.	
Transferable 1500 shares; of which is owned by citizens of this State, 1431 shares.	
Do. " of other States, 69 "	
Not transferable,	470 "
	1970 " a \$90 177,300 00

Bills of the bank in circulation,	- - -	172,224 00
Balances due to other banks, viz.		
To banks of this State,	- - -	496 54
Deposits not bearing interest,	- - -	31,145 36
Dividends unpaid,	- - -	611 00
Surplus fund, and profit and loss, including earnings since last dividend,	- - -	4,450 61

\$386,227 51

Real estate owned by the bank, viz.

Banking houses,	- - -	10,223 18	
Other real estate,	- - -	7,238 46	
			17,461 64

Bills of other banks, viz.	In this State,	9,318 00	
	Out of this State,	13,366 85	
			22,684 85

Balances due from other banks, viz.

In this State,	- - -	3,564 72	
Out of this State,	- - -	66,148 72	
			69,713 44

Gold, silver, and other coined money actually belonging to the bank,	- - -	10,220 20	
Stock of other banks, owned by this bank,	- - -	9,300 00	
Connecticut turnpike stock,	- - -	1,020 00	
Funds in the hands of agents of the bank in New York and elsewhere,	- - -	6,379 44	
Debts due the bank, by individuals in this State,	- - -	198,847 94	
Individuals out of this State,	- - -	50,000 00	
Directors of the bank,	- - -	300 00	
			243,647 94

\$386,227 51

In this bank we found a large amount of suspended debts, a great portion of which secured by real estate in Fairfield county and unproductive lots in the city of New York. The amount of

loss which the bank will sustain on above noted items, could not be ascertained. We are of opinion, however, that it will be expedient for this institution to reserve their earnings for six months, to cover such loss or losses as may ultimately be made upon their suspended debts.

BRIDGEPORT BANK, Feb. 15th, 1841.

Capital stock paid in, viz.

Transferable, owned by citizens of this

State,	- - -	173,520 00	
Owned by citizens of other States,	- - -	10,960 00	
Not transferable,	- - -	10,000 00	
			194,480 00

Bills of the bank in circulation,	- - -	81,952 00	
Balances due to other banks, viz.			
To banks of this State,	- - -	561 98	
To banks of other States,	- - -	17,900 00	

			18,461 98
Deposits not bearing interest,	- - -	21,705 40	
Dividends unpaid,	- - -	76 80	

Surplus fund or profit and loss, after declaring

last dividend,	- - -	6,088 15	
Discount earned since last dividend,	- - -	16,047 20	

\$338,811 62

Real estate owned by the bank, viz.

Banking house,	- - -	12,784 05	
Other real estate,	- - -	8,286 74	
			21,070 79

Bills of solvent banks out of this State,	- - -	5,565 00	
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Balances due from other banks, viz.

From banks in the State,	- - -	363 87	
Banks out of the State,	- - -	16,908 82	
			17,272 69

Gold, silver, and other coined money

belonging to the bank,	- - -	7,691 34	
Stock of this bank, owned by the institution,	- - -	19,650 00	

Stocks of other banks owned by this bank,	500 00
Funds in the hands of agents of the bank in N. York and elsewhere,	73,088 13
Personal estate owned by the bank,	18 70
Debts due to the bank, viz.	
From directors of this bank,	9,676 19
Other individuals in this State,	181,882 25
Individuals out of the State,	2,418 53
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	193,976 97
	<hr/>
	\$338,811 62

This has been truly an unfortunate institution: the most so of any we have visited, having in years past, charged to profit and loss, some thirty to forty thousand dollars.

On the 25th of February last, they had to the credit of profit and loss, about 24,000 dollars; but they still had other suspended paper, not charged over, and on which a further loss was admitted of 25 to 30 thousand dollars.

Yet we have no cause of complaint, as no dividend is contemplated until the nett profits of the bank will warrant them to make one. If no further losses are sustained, we hope the bank will be able to make a dividend in the course of the present year.

The President, directors and stockholders collectively deserve great credit in raising the bank from a crippled and almost ruined state, to one of prosperity and nearly sound capital.

CONNECTICUT BANK, 1st Feb., 1841.

Capital stock paid in, viz.	
Transferable,	240,000 00
Not transferable,	29,600 00
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	269,600 00
All owned by citizens of this State.	
Bills of the bank in circulation,	77,500 00
Balances due to other banks, viz.	
In this State,	11,298 55
In other States,	1,161 92
	<hr/>
	12,460 57

Deposits not bearing interest,	28,527 45
Dividends unpaid,	2,588 00
Surplus fund and profit and loss, including earnings since last dividend,	3,123 79
Due the bank towards her part-of capital of \$80,000,	36,865 02
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	\$430,684 84
Real estate, banking house,	9,137 24
Bills of solvent banks. In this State,	3,256 00
Do. " out of this State,	4,712 00
	<hr/>
	7,968 00
Balances due from other banks, viz.	
In this State,	2,382 58
Out of the State,	5,245 63
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	7,628 21
Gold, silver, and other coined money belonging to the bank,	16,289 88
Funds in the hands of agents in New York,	69,659 12
Personal estate owned by the bank,	1,000 00
Debts due to the bank, viz.	
From the directors of the bank,	16,547 00
Other individuals in this State,	212,355 39
" out of the State,	100 00
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	229,002 39
Bonus paid Washington and Yale Colleges,	10,000 00
One third or \$80,000 of capital used by branch and accounted for by them,	80,000 00
	<hr/>
	\$430,684 84
This bank had to the credit of profit and loss, Jan. 8th, 1841, after the dividend declared Jan. 1841.	325 34
Surplus fund,	2,200 00
	<hr/>
	2,525 34

Not charged to profit and loss, personal estate,	1,000 00
Bonus,	10,000 00
Suspended paper, \$23,385 74 on which a loss is admitted of 10 per cent.,	2,338 57
Suspended paper at the branch, report- ed to us by the President and Cashier of said branch, \$15,270 31. The es- timated loss on which, by the Presi- dent of said bank, thirteen notes,	7,430 00
	<hr/>
	20,768 57
Less the profits as above noted,	2,525 34
	<hr/>
Actual estimated loss of,	\$18,243 23

This bank made a dividend in January last of 3½ per cent.
on the profits, so called by them, of the institution!

MECHANICS' BANK, NEW HAVEN, 10th Feb., 1841.

Capital stock paid in and all transferable, viz.	
Owned by residents of this State,	\$431,950 00
Do. non-residents,	41,100 00
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	473,050 00
Bills in circulation,	121,358 00
Amount due other banks, viz.	
In Connecticut,	11,578 45
In other States,	11,080 60
	<hr/>
	22,659 05
Deposits not bearing interest,	100,094 24
Dividends unpaid,	2,034 60
Surplus fund, after last dividend,	3,927 87
Profit and loss, since last dividend,	2,518 99
	<hr/>
	\$725,642 15
	<hr/>
Real estate. Banking house and lot,	9,000 00
Bills of other banks, and checks on do.	22,682 83

Amount due from other banks, viz.	
In Connecticut,	986 53
In other States,	17,738 50
	<hr/>
	18,725 08
Specie, belonging to the bank,	15,098 81
Farmington Canal stock,	200,000 00
Funds in the hands of agents of the bank, in New York,	89,092 95
Debts due to the bank, viz.	
From the directors,	12,506 67
From others,	358,535 76
	<hr/>
	371,042 43
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	\$725,642 15

This bank, with the exception of a single deviation from prudence, in one item, appears to manage its affairs with great uprightiness and discretion; its loans being generally made at home, and at the counter, and strictly according to law. Nothing is done in the way of buying notes, and very little received for exchange.

CITY BANK OF NEW HAVEN, 10th Feb. 1841.

Capital stock paid in. All transferable.	
Held by citizens of this State,	418,800 00
Held by non-residents,	81,200 00
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	500,000 00
Bills of the bank in circulation,	49,074 00
Balances due to Bank of N. York,	3,756 51
Do. Amer. Exch. bk. N. York,	6,097 87
Do. Merch. & Traders' bk. N. Y.	749 29
Do. Leather Manufac. bk. N. Y.	755 57
Do. Suffolk bank, Boston,	403 65
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	11,762 89
Deposits not bearing interest,	43,644 24

Dividends unpaid, - - - -	5,580 50
Surplus fund, after declaring last dividend, -	89,009 90
Earnings since last dividend, - - - -	256 44
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	\$697,327 97

Real estate owned by the bank in Brooklyn, N. Y.	55,622 29
Bills of solvent banks in and out of the State,	10,937 97
Balance due from Meriden bank, - -	59 63
Do. do. Hartford bank,	190 52
	<hr/>
	250 15

Balance due from the bank of the State of Georgia, - - - -	710 00
Balance due from the bank and Insurance Co. Augusta, - -	557 50
Balance due from the bank of Charleston, - - - -	555 50
Balance due from the Arcade bank, Providence, - - - -	56 18
	<hr/>
	1,879 18

Gold, silver and copper coin, belonging to the bank, - - - -	7,563 87
Stock of the Grand Gulf R. Road and Banking Co. belonging to the bank, - - - -	5,300 00
Hampshire and Hampden Canal Co. stock,	100,000 00
Funds in the hands of agents in N. York, -	42,767 98
Debts due to the bank.	
From the directors, nothing,	
From individuals and companies in and out of the State, - - - -	472,984 48
Expense paid, - - - -	22 05
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	\$697,327 97

Surplus fund, after declaring last dividend, as per return, - - - -	87,009 90
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Suspended paper, - - - -	55,825 21	
Of which, will probably be paid, - - - -	44,961 21	
	<hr/>	10,864 00
Nett surplus, - - - -		<hr/>
		\$76,145 90

This bank appears to make large loans abroad, not having sufficient calls for its funds at home, as stated by the officers.

NEW HAVEN BANK, 11th Feb. 1841.

Capital stock paid in, viz.		
Transferable, owned by citizens of this State, - - - -	284,300 00	
Of other States, - - - -	15,700 00	
Not transferable, - - - -	64,800 00	
	<hr/>	364,800 00
Bills of the bank in circulation, - - - -		120,916 00
Balances due to other banks, viz.		
Banks of this State, - - - -	4,234 10	
Of other States, - - - -	1,991 78	
	<hr/>	6,275 88
Deposits not bearing interest, - - - -		61,567 88
Dividends unpaid, - - - -		1,809 50
Surplus fund or profit and loss, after declaring last dividend, - - - -		5,557 38
Discount earned since last dividend, - - - -		2,585 88
		<hr/>
		9563,512 52

Real estate owned by the bank.		
Banking house, - - - -		7,385 00
Bills of solvent banks. In the State, -	2,776 00	
Out of the State, - - - -	1,814 00	
	<hr/>	4,590 00
Balances due from other banks, viz.		
In the State, - - - -	9,927 75	
Out of the State, - - - -	12,004 54	
	<hr/>	21,932 29

Gold, silver, and other coined money belonging to the bank, - - - -	20,710 44
Funds in the hands of agents of the bank in New York, - - - -	45,391 57
Debts due to the bank, viz.	
From directors of the bank, - - - -	3,065 03
Other individuals in the State, - - - -	239,500 24
“ out of the State, - - - -	214,399 55
Corporations and communities oth- er than banks, - - - -	5,441 03
	<u>462,405 85</u>
Other property belonging to the bank, not oth- erwise specified--checks and sight drafts, - - - -	1,097 37
	<u>\$563,512 52</u>

This bank appears to make large loans abroad, not having sufficient calls for its funds at home, as claimed by the officers.

NEW HAVEN COUNTY BANK, 10th Feb. 1841.

Capital stock paid, viz. Transferable.	
Owned by citizens of this State, - - - -	492,000 00
Do. “ of other States, - - - -	8,000 00
Not transferable, - - - -	1,000 00
	<u>501,000 00</u>
Bills of the bank in circulation, - - - -	142,753 00
Balances due banks in other States, - - - -	10,397 20
Deposits not bearing interest, - - - -	56,771 78
Dividends unpaid, - - - -	1,841 18
Surplus fund after declaring the last dividend, - - - -	19,000 00
Discount earned since last dividend, - - - -	4,946 61
	<u>\$736,709 77</u>
Bills of solvent banks in this State, - - - -	10,332 00
Out of this State, - - - -	1,300 00
	<u>11,632 00</u>
Balances due from banks in the State, - - - -	11,597 04
Out of this State, - - - -	15,237 41
	<u>26,834 45</u>

Gold, silver and other coin, - - - -	13,595 00
Stock of this bank owned by the institution, - - - -	1,660 00
Funds in the hands of Nevins, Townsend & Co., - - - -	89,107 18
Debts due from directors of this bank, - - - -	5,212 00
Other individuals in this State, - - - -	409,691 37
Out of this State, - - - -	164,013 77
	<u>578,917 14</u>
Other property belonging to the bank, - - - -	10,054 00
	<u>\$736,709 77</u>
Surplus fund after declaring last dividend, - - - -	19,000 00
Suspended paper of twenty-four debtors, - - - -	48,797 ; on which,
Supposed losses as stated by the cashier, - - - -	5,224 00
This bank appears to make large loans abroad, not having sufficient calls for its funds at home, as they state.	

MERIDEN BANK, 13th Feb. 1841.

Capital stock paid in. All transferable.	
Owned by citizens of this State, - - - -	149,000 00
Of other States, - - - -	1,000 00
	<u>150,000 00</u>
Balances due to other banks in this State, - - - -	2,153 90
Circulation, - - - -	40,397 00
Deposits not bearing interest, - - - -	5,767 63
Dividends unpaid, - - - -	258 00
Surplus fund, after declaring last dividend, - - - -	1,206 22
Discount earned since last dividend, - - - -	2,843 26
	<u>\$262,626 01</u>
Real estate owned by the bank, viz.	
Banking house, - - - -	4,000 00
Other real estate, - - - -	17,200 00
	<u>21,200 00</u>

Bills of solvent banks—In the State,	1,349 00	
Out of the State,	1,471 00	
		2,820 00
Balances due from other banks, viz.		
In the State,	1,237 16	
Out of the State,	12,577 85	
		13,815 01
Specie belonging to the bank,		12,246 66
Stock of this bank owned by the institution,		7,300 00
Debts due to the bank, viz.		
From the directors of this bank,	10,255 82	
Other individuals,	129,033 66	
		139,289 48
Other property belonging to the bank, not otherwise specified,		954 86
St. Lawrence Land Company,		5,000 00
		<u>\$202,626 01</u>

This bank has placed as part of its resources, a lot and house on 10th street, and a vacant lot on 11th street, New York, obtained of E. M. Morgan & Co., at \$16,000.

It receives about 400 dollars annually for the rent.

Also \$5,000 St. Lawrence Land Co. stock,—supposed valueless.

The surplus fund, after making the last dividend, 1st Monday in November, 1849, was \$1206 22 only.

We learn that this bank has passed a dividend since our visit to the institution in March.

MIDDLESEX COUNTY BANK, 10th Feb. 1841.

Capital stock paid in, viz.		
Transferable, owned by citizens of		
this State,	196,000 00	
Of other States,	4,000 00	
Not transferable,	20,500 00	
		<u>220,500 00</u>

Bills of the bank in circulation,		51,039 00
Balances due to other banks, viz.		
To banks of this State,	613 08	
Banks of other States,	4 50	
		617 58
Deposits not bearing interest,		21,876 49
Dividends unpaid,		948 00
Surplus fund, or profit and loss, after declaring last dividend,		12,241 45
Discount earned since last dividend,		1,002 90
		<u>\$308,225 42</u>
Real estate owned by the bank, viz.		
Banking house on rent of 180 dollars a year.		
Other real estate,		10,701 89
Bills of solvent banks in this State,	1,768 00	
Do. " out of this State,	850 00	
		2,618 00
Balances due from other banks, viz.		
Banks in the State,	1,990 21	
Out of the State,	5,687 34	
		7,677 55
Gold, silver, and other coined money		
belonging to the bank,		6,799 90
Ten thousand dollars of New York State fives, cost,		9,223 00
Funds in the hands of agents of the		
bank in New York and elsewhere,		23,356 86
Personal estate owned by the bank,		1,034 54
Debts due to the bank, viz.		
From directors of the bank,	8,271 68	
From individuals in this State,	113,585 51	
Out of the State,	114,456 49	
Corporations and communities other		
than banks,	10,500 00	
		<u>246,813 68</u>
		<u>\$308,225 42</u>

Surplus fund of this bank, after making the last dividend, - - - -	12,241 46
Book debt of E. M. Morgan & Co. considered lost, - - - -	7,000 00
Other bad debts—say, - - - -	1,000 00
	<u>\$8,000 00</u>
Personal property, - - - -	1,034 54
Mortgage on property, received of E. M. Morgan, & Co. at Columbus, Georgia, \$9,000 00, but considered good.	

MIDDLETOWN BANK, 10th Feb. 1841.

Capital stock paid in, viz.	
Owned by citizens of this State, - - - -	335,387 50
Of other States, - - - -	14,612 50
Not transferable, - - - -	69,300 00
	<u>419,300 00</u>
Bills of the bank in circulation, - - - -	100,969 89
Balances due to other banks, in and out of the State, - - - -	3,660 33
Deposits not bearing interest, - - - -	29,908 32
Dividends unpaid, - - - -	1,462 31
Surplus fund, &c. after dividend, - - - -	26,848 04
Earnings since dividend, - - - -	3,861 21
	<u>\$586,010 10</u>
Real estate, viz. Banking house, - - - -	5,000 00
Other real estate, - - - -	600 00
	<u>5,600 00</u>
Bills of solvent banks in and out of the State, - - - -	4,830 27
Balances due from other banks in and out of the State, - - - -	5,606 08
Gold and silver, &c. in the bank, - - - -	31,662 48
Stock of other banks, collateral, - - - -	8,000 00
Other stocks, viz. New York city, - - - -	27,000 00
Morris and Essex Rail Road, - - - -	1,360 00
	<u>25,360 00</u>

Funds in the hands of agents, &c. - - - -	48,794 67
Debts due to the bank, viz.	
By directors, - - - -	1,500 00
Other individuals in the State, - - - -	326,847 60
Out of the State, - - - -	79,000 00
Corporations, &c. - - - -	42,800 00
	<u>450,147 60</u>
	<u>\$586,010 10</u>
Surplus fund as noted above, - - - -	26,848 04
Estimated loss on suspended paper, - - - -	3,200 00
	<u>Nett surplus, - - - -</u>
	<u>\$23,648 04</u>

EAST HADDAM BANK, 2d Feb. 1841.

Capital stock paid in, viz.	
Transferable, owned by citizens of this State, - - - -	60,000 00
Not transferable, - - - -	4,800 00
	<u>64,800 00</u>
Bills of the bank in circulation, - - - -	61,138 00
Balances due to other banks, viz.	
To banks in this state, - - - -	450 61
Out of the State, - - - -	3 63
	<u>454 24</u>
Deposits not bearing interest, - - - -	8,171 38
Do. bearing interest, - - - -	3,813 90
	<u>11,985 28</u>
Dividends unpaid, - - - -	475 00
Surplus fund, or profit and loss, after declaring last dividend, - - - -	6,200 35
Debts due from the bank, not above specified, - - - -	459 32
Discount earned since last dividend, - - - -	2,232 39
	<u>\$147,739 59</u>

Bills of solvent banks in the State,	219 45	
Out of the State,	1 00	
Banks not solvent,	20 00	
		240 45
Balances due from banks out of the State,		13,970 15
Gold, silver, and other coined money belonging to the bank,		5,600 66
Stock of other banks, owned by this bank,		300 00
Funds in the hands of agents in N. York and elsewhere,		22,012 57
Debts due the bank, viz.		
From directors of this bank,	15,545 51	
Other individuals in the State,	58,984 19	
Individuals out of the State,	31,106 14	
		105,615 84
		\$147 759 67

From the exhibit of suspended paper in this bank, including a debt due from M. M. Morgan & Co., we are of opinion that it would have been more discreet to have passed the February dividend, or at a lower rate, to have made one of less amount; as we are satisfied that no dividend should be made on suspended paper, of more than twelve months standing.

PHOENIX BANK at Hartford, Feb. 1, 1841.

Capital stock, viz. Transferable,	1,118,400 00	
Not transferable,	114,700 00	
		1,233,100 00
Bills in circulation,		325,208 00
Deposits, viz. At Litchfield,	20,000 00	
Hartford,	122,843 29	
		142,843 29
Due other banks. In the State,	28,723 84	
Other States,	43,692 94	
		82,416 78
Earnings on bills,		95,981 51
Unclaimed dividends,		2,819 00
		\$1,882,368 61

Banking houses,		29,000 00
Bills of other banks, viz.		
In this State,	14,951 00	
In other States,	8,585 00	
		23,536 00
Checks, certificate of deposit, &c. in draw,		12,824 78
Due from other banks, viz.		
In this State,	488 00	
Other States,	15,888 65	
		16,376 65
Amount of loans, viz.		
At Litchfield,	290,000 00	
Hartford,	1,211,418 86	
		1,501,418 86
Specie,		50,015 32
In hands of agents in New York,		131,300 00
New York State stocks, and post notes of the Philadelphia banks,		114,897 00
		\$1,382,368 61
To the credit of profit and loss, 1st March, 1841,	100,070 73	
Deduct dividend of same date,	43,158 50	
		56,912 23
Balance surplus fund,		30,000 00
Suspended paper, \$79,000, on which a loss is estimated of		23,912 23
		6,000 00
Reserved fund belonging to the stockholders,		392,912 23

This bank has checks to the amount of 8,897 dollars on the Planters' Bank, Mississippi, sent out for collection, the loss on which cannot now be ascertained.

HARTFORD BANK, 10th Feb. 1841. 4 P. M.

Capital stock owned in this State,	781,500 00	
Out of this State, - - -	83,600 00	
Not transferable, - - -	253,500 00	
	<hr/>	1,118,000 00
Bills in circulation, - - -	- - -	266,244 06
Due other banks. In this State,	6,031 08	
In other States, - - -	21,404 18	
	<hr/>	27,435 26
Deposits, - - -	194,113 93	
Do. bearing interest, - - -	10,965 47	
	<hr/>	205,079 40
Dividends unpaid, - - -	- - -	4,870 33
Profit and loss, after last dividend,	- - -	104,421 75
Discounts since last dividend, - - -	- - -	15,956 00
	<hr/>	1,742,006 80
	<hr/>	
Banking house, - - -	- - -	18,000 00
Bills of other banks in this State,	3,989 00	
In other States, - - -	11,995 00	
	<hr/>	15,984 00
Due from banks in this State, -	25,616 31	
Out of the State, - - -	41,561 14	
	<hr/>	70,177 45
Gold, silver, and copper, - - -	- - -	76,972 65
Steam boat stock, - - -	- - -	37 00
Turnpike Do. - - -	- - -	454 08
Union Company, Do. - - -	- - -	2,544 00
Connecticut River Co. Do. - - -	- - -	358 75
In hands of agents, - - -	- - -	30,706 19
Discounted for directors, - - -	14,537 40	
For others in this State, - - -	1,012,235 28	
Out of the State, - - -	150,000 00	
For corporations &c., - - -	300,000 00	

Loan to 5 banks in Philadelphia,

\$10,000 00 each, - - -	50,000 00	
	<hr/>	1,526,772 63
	<hr/>	\$1,742,006 80
	<hr/>	
Surplus fund as above, - - -	- - -	104,421 75
Loss, doubtful debts, as stated by the cashier's report, - - -	- - -	25,821 83
	<hr/>	
Nett estimated surplus, - - -	- - -	\$78,589 92

CONNECTICUT RIVER BANKING CO. 10th Feb. 1841.

Capital stock paid in, viz.		
Owned by citizens of this State,	245,900 00	
Of other States, - - -	4,100 00	
	<hr/>	250,000 00
Bills of the bank in circulation, - - -	- - -	46,247 00
Balances due to other banks, viz.		
In the State, - - -	4,995 48	
Out of the State, - - -	4,358 60	
	<hr/>	10,354 08
Deposits not bearing interest, -	37,652 98	
Do. bearing interest, - - -	6,350 00	
	<hr/>	44,002 98
Dividends unpaid, - - -	- - -	729 25
Surplus fund, profit and loss, after deducting last dividend, - - -	- - -	7,730 08
Discount earned since last dividend, - - -	- - -	1,278 17
	<hr/>	\$360,311 66
	<hr/>	
Banking house, - - -	- - -	6,680 90
Bills of banks in and out of the State, together,	- - -	8,482 75
Balances due from banks, viz.		
In this State, - - -	- - -	149 06
Out of the State, - - -	- - -	7,728 06
	<hr/>	7,877 12

Gold and silver belonging to the bank, - - -	8,769 05
600 shares stock in the Connecticut River Co. - - -	60,000 00
Funds in agents' hands, New York, - - -	30,236 35
Personal estate owned by the bank, - - -	338 39
Debts due to the bank, viz.	
From directors of this bank, - - -	9,836 07
Individuals and companies in this State, - - -	201,954 05
Out of this State, - - -	26,166 88
	<u>237,957 00</u>
	\$360,341 56
Surplus fund as noted above, - - -	7,730 08
Suspended paper, - - -	5,946 68
Probable loss, - - -	5,000 00
	<u>\$2,730 08</u>

EXCHANGE BANK, 10th Feb. 1841.

Capital stock—	
Owned by citizens of this State, - - -	360,600 00
Of other States, - - -	39,400 00
	<u>400,000 00</u>
Bills of the bank in circulation, - - -	106,000 00
Balances due to banks of this State, - - -	7,584 08
Out of this State, - - -	938 85
	<u>8,522 93</u>
Deposits not bearing interest, - - -	33,175 63
Dividends unpaid, - - -	2,457 60
Surplus fund, - - -	5,545 60
Discount since last dividend, - - -	3,057 04
	<u>\$553,758 80</u>

Banking house, - - -	11,939 74
Bills of other banks, in this State, - - -	2,139 48
Out of this State, - - -	4,796 25
	<u>6,935 74</u>
Balances due from banks in this State, - - -	1,188 64
Out of this State, - - -	34,591 82
	<u>35,780 46</u>
Gold, silver, &c. coin, - - -	15,820 80
Stock of this bank, owned by the institution, - - -	2,960 00
Bills discounted, - - -	485,322 06
	<u>\$558,758 80</u>
Suspended debt of E. M. Morgan & Co., - - -	12,640 56
Other suspended debts, - - -	24,714 49
	<u>\$37,355 05</u>
Estimated loss on the above, - - -	29,304 82
On other debts, - - -	2,000 00
On Bennington Bank stock, Vermont, 1,000 00	
On 2,960 00 of their own stock, - - -	222 00
	<u>32,526 82</u>
Deduct surplus fund after declaring last dividend, - - -	5,545 60
	<u>\$26,981 22</u>
Actual estimated loss, - - -	\$26,981 22
In justice, however, to the directors of this bank, we would remark, that they have heretofore paid a bonus of \$25,000 which has been charged to profit and loss.	
FARMERS' AND MECHANICS' BANK, 10th Feb. 1841.	
Capital stock paid in, viz.	
Transferable, owned by citizens of	
this State, - - -	492,600 00
Of other States, - - -	7,400 00
Not transferable, - - -	16,300 00
	<u>\$516,300 00</u>

Bills of the bank in circulation, - - -	133,862 00
Balances due to other banks, viz.	
Banks of this State, - - -	2,422 32
Of other States, - - -	14,590 11
	<u>17,012 43</u>
Deposits not bearing interest, - - -	72,161 32
Dividends unpaid, - - -	535 50
Surplus fund, after declaring last dividend, -	12,000 00
Discount earned since last dividend, including interest and exchanges, and deducting expense account, - - -	9,228 18
	<u>\$761,099 43</u>
Real estate owned by the bank, viz.	
Banking house, - - -	13,390 98
Other real estate, - - -	295 25
	<u>13,686 23</u>
Bills of solvent banks in this State, 4,762 00	
Out of the State, - - -	9,803 00
	<u>14,565 00</u>
Balances due from other banks, viz.	
In this State, - - -	8,576 53
Out of the State, - - -	50,478 26
	<u>59,054 79</u>
Gold, silver, and other coined money belonging to the bank, - - -	33,621 30
Stock of this bank, owned by this bank, 12,800 00	
Of other banks owned by the bank, par value, \$7,500 00, - - -	7,159 00
	<u>19,959 00</u>
Brattleborough typographic stock, - - -	5,134 77
Debts due the bank, viz.	
From directors of the bank, other individuals in the State, individ- uals out of the State, corpora- tions, &c. - - -	615,078 34
	<u>\$761,099 43</u>

Surplus fund as above, - - -	12,000 00
Suspended paper, 2 notes, each \$2000 in 1838 and 1839, - - -	4,000 00
Two other notes in 1839, - - -	710 50
Brattleboro' typographic stock, - - -	5,134 77
	<u>9,845 27</u>
Loss on the above uncertain.	
Other suspended paper, supposed good, - - -	2,600 00

TOLLAND COUNTY BANK, 30th January, 1941.

Capital stock paid in—	
Transferable, owned by citizens of this State, - - -	71,400 00
By citizens of other States, - - -	3,600 00
By this State, - - -	4,000 00
	<u>79,000 00</u>
Bills of the bank in circulation, - - -	49,480 00
Balances due to banks of this State, - - -	2,345 66
Deposits not bearing interest, - - -	14,590 73
Bearing interest, - - -	16,193 00
	<u>30,783 73</u>
Dividends unpaid, - - -	114 00
Surplus fund of profit and loss after de- claring last dividend, - - -	5,065 66
Discount earned since last dividend, - - -	1,552 82
	<u>\$168,341 87</u>

Real estate, viz. Banking house, - - -	1,992 59
Bills and checks of other banks out of the State, -	613 07
Balances due from other banks, viz.	
From banks in the State, - - -	25 00
Banks out of the State, - - -	12,531 11
	<u>12,559 11</u>
Gold, silver, and other coined metal belonging to the bank, - - -	3,189 44
Deposit in Suffolk bank, Boston, - - -	2,000 00

Debts due to the bank, viz.	
From directors of the bank, -	1,251 26
Other individuals in the State, -	140,836 40
	<hr/>
	142,087 66
	<hr/>
	\$168,341 87
	<hr/>
Surplus fund, - - - - -	5,065 66
Balance due on suspended paper, the loss on	
which, uncertain, - - - - -	4,301 99

THOMPSON BANK, Feb. 2, 1841.

Capital stock paid in. All transferable.

Owned by citizens of this State, -	71,200 00
Citizens of other States, - - -	8,800 00
	<hr/>
	80,000 00
Bills of the bank in circulation, - - -	30,800 00
Balances due to other banks in this State, -	1,133 56
Deposits not bearing interest, - - -	3,590 59
Dividends unpaid, - - - - -	132 80
Surplus, after declaring last dividend	
in October, - - - - -	1,796 65
Earned since, - - - - -	1,785 88

3,582 53

Deduct for amount of losses charged	
to profit and loss, since declaring	
last dividend, - - - - -	2,199 61
	<hr/>
	1,382 92
	<hr/>
	\$117,039 87

Real estate owned by the bank, viz.	
Banking house, - - - - -	1,912 42
Bills of solvent banks in this State, -	2,830 00
Out of the State, - - - - -	3,491 00
	<hr/>
	6,321 00

Gold, silver, and other coined money	
belonging to the bank, - - - - -	3,828 05
Debts due to the bank, viz.	
From directors of the bank, - - - - -	7,146 47
Other individuals in the State, - - - - -	85,684 11
Out of the State, - - - - -	4,498 02
	<hr/>
	97,328 60
Balances due from other banks, viz.	
From banks in this State, - - - - -	1,112 24
Out of the State, - - - - -	6,530 56
	<hr/>
	7,642 80
	<hr/>
	\$117,039 87

This institution has also been unfortunate, having changed profit and loss up to 5th Oct. 1839, \$17,560 12.

It now has a small amount of suspended paper, generally considered good.

Surplus fund as noted above, \$1,796 65.

WINDHAM BANK, 2d Feb. 1841.

Capital stock transferable.	
Owned by citizens of this State, - - - - -	47,750 00
Of other States, - - - - -	2,250 00
Not transferable, - - - - -	8,100 00
	<hr/>
	58,100 00
Bills in circulation, - - - - -	38,255 60
Balances due other banks, in this State, -	109 70
Deposits bearing interest at 4 and 5	
per cent. - - - - -	19,000 00
Not bearing interest, - - - - -	6,059 18
	<hr/>
	25,059 18
Dividends unpaid, - - - - -	36 00
Surplus, or profit and loss, - - - - -	57 60
Debits not above specified, viz.	
Certificate deposits, - - - - -	200 00

Discount earned since last dividend,	- -	2,231 63
		<u>\$124,049 11</u>
Real estate, banking house and lot,	- -	1,553 00
Bills of banks in the State,	- -	299 03
Out of the State,	- -	656 00
		<u>955 00</u>
Balances due from banks in this State,	1,704 37	
Out of the State,	- -	7,289 92
		<u>8,994 29</u>
Gold, silver, &c.,	- -	5,105 41
Stock of other banks owned by this bank,	- -	400 03
Debts due to the bank, viz.		
From the directors,	- -	1,551 53
Other individuals in this State,	- -	101,189 83
		<u>102,741 41</u>
Cash in transit,	- -	4,300 00
		<u>\$124,049 11</u>

This bank has no suspended paper.

WINDHAM COUNTY BANK, 2d Feb. 1841.

Capital stock paid in; viz. Transferable,		100,000 00
Owned by citizens of this State,	79,000 00	
Of other States,	- -	4,600 00
Not transferable,	- -	700 00
Bills of the bank in circulation,	- -	57,227 00
Balances due to banks of this State,	495 67	
Of other States,	- -	100 00
		<u>595 67</u>
Deposits not bearing interest,	- -	8,887 49
Dividends unpaid,	- -	66 00

Surplus fund and profit and loss, after declaring last dividend,	- - - -	504 04
Discount earned since last dividend,	- - - -	1,786 59
		<u>\$149,766 79</u>
Real estate owned by the bank, viz.		
Banking house,	- - - -	1,861 59
Bills of other banks. In the State,	488 00	
Solvent banks out of the State,	- - - -	683 00
		<u>1,171 00</u>
Balances due from other banks, viz.		
In this State,	- - - -	1,301 46
Out of the State,	- - - -	12,978 97
		<u>14,280 43</u>
Gold, silver, and other coined money belonging to the bank,	- - - -	6,001 63
Stock of this bank owned by the institution,	- - - -	17,000 00
Debts due to the bank, viz.		
From the directors of this bank,	- - - -	5,455 00
Other individuals in this State,	- - - -	51,724 39
Out of the State,	- - - -	50,007 98
Corporations and communities other than banks,	- - - -	2,796 83
		<u>109,984 20</u>
Other property belonging to the bank not above specified,	- - - -	467 91
		<u>\$149,766 79</u>

This bank formerly suffered severely in their loans, having charged to profit and loss for suspended and bad paper, about one quarter of its capital.

It has now but a small amount of suspended paper.

JEWETT CITY BANK, 2d Feb. 1841.

Capital stock paid in: All transferable,	-	40,000 00
Owned by citizens of this State,	- - -	13,800 00
Of other States,	- - -	26,200 00
Bills of the bank in circulation,	- - -	10,076 00
Due to banks of this State,	- - 4 65	
Of other States,	- - - 3,796 42	
		<u>3,801 07</u>
Deposits not bearing interest,	- - - -	548 33
Dividends unpaid,	- - - -	8 00
Surplus fund, or profit and loss, after declaring last dividend,	- - - -	701 08
Discount earned since last dividend.	- - - -	656 70
		<u>\$55,791 18</u>
Bills of solvent banks. In this State,	80 00	
Out of this State,	- - - 145 00	
		<u>225 00</u>
Balances due from other banks. In this State,	2,387 19	
Gold, silver, and other coin, belonging to the bank,	2,905 13	
Stock of this bank, owned by the institution,	- 2,000 00	
Personal estate owned by the bank,	- - 1,500 00	
Debts due to the bank, viz.		
From directors of the bank,	- - 3,096 92	
From individuals of this State,	33,923 94	
Out of the State,	- - - 9,750 00	
		<u>44,770 86</u>
		<u>\$55,791 18</u>
Amount of protested paper,	- - - -	7,413 34
Estimated loss on the foregoing,	2,259 32	
Personal estate, consisting of plates, paper, &c. placed as resources of the bank,	- - - 1,430 00	
Goods on hand taken for \$70, worth say,	- - - 35 00	
		<u>3,724 32</u>

Deduct this sum to credit of profit and loss, after the last dividend of 2 per cent, declared 8th Feb. 1841,	- - -	499 94
		<u>\$3,224 38</u>

NORWICH BANK, 2d Feb. 1841.

Capital stock paid in. Transferable, 200,000.00 203,600 00 owned by citizens of this State. 6,400 00 do. " of other States.		
Not transferable,	- - -	10,000 00
		<u>210,000 00</u>
Bills of the bank in circulation,	- - -	74,300 00
Balance due to other banks, viz.		
Banks of this State,	- - -	7,534 17
Of other States,	- - -	7,696 59
		<u>15,230 76</u>
Deposits not bearing interest,	- 54,718 60	
Bearing interest,	- - - 5,000 00	
		<u>59,718 60</u>
Dividends unpaid,	- - - -	1,289 88
Surplus fund, or profit and loss, after declaring last dividend,	- - - -	3,748 80
Discount earned since last dividend,	- - - -	1,700 26
		<u>365,958 30</u>
Banking house,	- - - -	5,000 00
Bills of solvent banks in this State,	- - -	346 00
Balances due from other banks, viz.		
From banks in this State,	- - -	4,555 22
Out of this State,	- - -	15,077 00
		<u>19,632 22</u>
Gold, silver, and other coined money belonging to the bank,	- - - -	11,338 45
Debts due to the bank, viz.		
From directors of this bank,	- - -	15,000 00

Other individuals in this State,	100,000 00	
Other individuals out of the State,	212,666 03	
Corporations and communities other than banks,	2,000 00	
		329,666 03
		<u>\$365,983 30</u>
Surplus fund as reported above, after last dividend, declared 1st Jan. 1841, of 4 per cent.,		3,743 80
Loss, balance due on suspended paper of 26th Sept. 1836,	1,459 00	
Balance due on another suspended debt,	1,534 04	
Suspended draft,	125 00	
		3,122 04
Nett surplus after last dividend of only,		<u>\$621 76</u>

QUINEBAUG BANK, 2d Feb. 1841.

Capital stock all transferable.		
Owned by citizens of this State,	381,900 00	
Citizens of other States,	118,100 00	
		500,000 00
Bills of the bank in circulation,		56,800 00
Balances due to banks in this State,	9,131 56	
Out of the State,	6,822 92	
		15,954 48
Deposits not bearing interest,	36,760 91	
Bearing interest,	6,010 00	
		42,770 91
Dividends unpaid,		740 50
Surplus fund at last dividend,	2,516 62	
Dividend R. R. Co. 1st Jan.,	3,125 00	
		7,611 32
Earnings since last dividend,		5,053 48
		<u>\$628,806 15</u>

* Most of this sum discounted for manufacturers, &c. which are payable at New York, Philadelphia, &c.

Real estate, viz. Banking house,	10,150 09	
Other real estate,	4,612 80	
		14,762 89
Bills and checks of other solvent banks, viz.		
In this State,	3,249 85	
Out of the State,	3,184 00	
		6,433 85
Specie,		5,555 70
Balances due from other banks, viz.		
In this State,	2,253 63	
Out of the State,	11,400 24	
		13,653 87
Stock of other banks owned by this bank,	3,100 00	
Stock in the Norwich and Worcester rail road,	125,000 00	
Personal estate owned by the bank,	3,354 01	
Due the bank by the directors,	137,313 05	
Individuals in the State,	187,170 21	
Out of the State,	132,462 57	
		456,915 83
		<u>\$628,806 15</u>

This institution has a large amount of its capital in stock notes, received from the directors and others.

To the credit of profit and loss, or surplus fund after clearing last dividend,	4,519 33
Received rail road dividend, 1st Feb. 1841,	3,125 00
	<u>7,644 33</u>

There are placed as other resources of the bank, viz.

Real estate other than the banking house,	4,100 00
Lot of land in Greenville,	512 80
Stock of Thames Bank, estimated at par,	3,100 00
Stock of the Norwich and Worcester rail road,	125,000 00
Personal estate belonging to the bank, say plate, paper, furniture, and expenses of procuring charters, &c.,	3,354 01

Suspended and shelf paper, some of it over due
nearly four years; 40 to 50,000 dollars, say, - 45,000 00

\$181,066 81

The probable loss on the suspended paper could not be ascertained.

THAMES BANK, 15th Feb. 1841.

Capital stock paid in, viz. Transferable.

Owned by citizens of this State,	195,500 00	
Of other States,	4,500 00	
	<u>200,000 00</u>	
Not transferable,	9,500 00	
	<u>209,500 00</u>	

Bills of the bank in circulation, - - - 37,099 50

Balances due to other banks, viz.

Of this State,	2,963 38	
Of other States,	3,879 20	
	<u>6,842 58</u>	

Deposits not bearing interest, - - - 21,156 98

Dividends unpaid, - - - 40 00

Surplus fund and profit and loss, after declaring
last dividend, - - - 195 01

Discount earned since last dividend, - - 6,071 61

\$231,513 68

Real estate owned by the bank, viz.

Banking house,	4,703 23	
Other real estate,	28,793 75	
	<u>33,505 04</u>	

Bills of solvent banks in this and other States, - 2,400 00

Balances due from other banks, viz.

From banks in this State,	1,185 53	
Out of the State,	5,813 75	
	<u>7,029 29</u>	

Gold, silver, and other coined money actually
belonging to the bank, - - - 3,440 00

Debts due the bank, viz.

From the directors of the bank, 19,100 00

Other individuals in this State, 83,501 92

Out of the State, drafts and notes, 116,253 50

Corporations and communities other
than banks, - - - 12,846 13

231,701 55

Other property belonging to the bank not-
otherwise specified, viz.

Interest in river Thames, - - - 3,437 80

\$281,513 68

This bank passed a dividend 1st March, 1841, and charged
to profit and loss a portion of their Lockport debt, say 5,833
dollars, which absorbed all their earnings from Sept. 1840, to
March, 1841, except leaving to the credit of profit and loss
1st March, 1841, - - - 201 21

Losses estimated 1st April, 1841, 3,507 18

Further loss on Lockport debt, esti-
mated at, - - - 4,162 00

7,669 18

Less to the company of profit and
loss, as above, - - - 201 21

Actual loss as now estimated, \$7,467 97

Total amount of Lockport debt, - - 24,035 47

Lessened by passing March dividend, - - 5,833 00

18,202 47

From which we have already estimated as above, 4,163 00

\$14,039 47

MERCHANTS' BANK, Feb. 2d, 1841.

Capital stock paid in. Transferable,		
Owned by citizens of this State,	142,950 00	
Of other States, - - -	7,050 00	
	<hr/>	150,000 00
Not transferable, - - -	5,200 00	
	<hr/>	155,200 00
Bills of the bank in circulation, - - -		49,918 00
Balances due to other banks, viz.		
Banks in this State, - - -		1,490 13
Deposits not bearing interest, - 18,266 94		
Bearing interest, - - -	1,550 00	
	<hr/>	19,776 94
Dividends unpaid, - - -		120 50
Debts due from the bank not otherwise specified. Certificates issued, - - -		2,953 20
Discount earned since last dividend, - - -		2,740 99
	<hr/>	\$232,832 76
Real estate, - - -		2,091 71
Bills of solvent banks. In this State, 3,183 00		
Out of the State, - - -	1,463 00	
	<hr/>	4,646 00
Balances due from banks,		
In this State, - - -	1,685 38	
Out of the State, - - -	6,768 73	
	<hr/>	\$,451 11
Loss at making last dividend, - - -		363 09
Gold, silver, and other coin belonging to the bank, - - -		4,299 41
Stock of this bank owned by the institution, -		925 72
Personal estate owned by the bank, 202 88		
Charter expenses and bonus, - 14,291 77		
	<hr/>	14,291 65
Debts due the bank, viz.		
From directors, - - -	12,180 80	

Other individuals in the State, 160,951 21		
Do. out of the State, 16,560 70		
Corporations and communities other than banks, viz.,		
New London county, - 2,344 36		
Norwich and Worcester rail road, - -	4,617 00	
	<hr/>	6,961 36
		<hr/>
		196,654 07
		<hr/>
		\$232,832 76

This bank has been for a course of years very liberal in helping its stockholders, out of their own funds, under the name of dividends earned by the institution.

As long ago as Sept. 1, 1839, a dividend of 3 per cent. was declared, purporting to be out of the profits of the bank, although it then had a mass of suspended and bad paper, and by referring to the profit and loss account of the bank, at that time, we notice it brought a balance of \$4 52, to the *debit* side instead of the credit. It has continued its dividends to, and included, Sept. 1, 1840.

On the first of March last, it became too apparently inexpedient to divide further on its capital, and thereby continue to injure the innocent stockholders.

We notice on the 3d day of April, 1841, losses as written up to that day, - - -	5,643 59
Other bad debts, - - -	2,320 23
Balance of obtaining charter, plates, paper, furniture, &c. including balance of bonus, -	14,291 77
	<hr/>
	22,255 59
Other bad or doubtful debts, - - -	3,286 41
	<hr/>
	25,542 00
To the above the bank has applied the whole balance of its earnings to March 1, 1841, -	3,909 55
	<hr/>
Balance considered bad, - - -	21,632 45

April 1, 1841, suspended debts from one to four years standing in addition to the above, - 39,986 76

This bank, in order to appear able to make dividends, has computed the interest from time to time, for four years past, on a portion of its old suspended debts, of very doubtful character; and placed said interest as resources of the bank. This is really an unheard of mode to accumulate a fund, on which to declare dividends. But we now learn that the directors are at last satisfied that much of the capital is lost; and that they intend to prefer a petition to the legislature, for a reduction of the same to the amount of thirty thousand dollars or upwards.

UNION BANK, 2d Feb., 1841.

Capital stock paid in. All transferable.	
Owned by citizens of this State,	96,500 00
Of other States,	3,500 00
	100,000 00
Bills of the bank in circulation,	45,927 00
Balances due to banks of this State,	78 00
Deposits not bearing interest,	19,064 07
Dividends unpaid,	690 00
Surplus fund, profit and loss, after declaring last dividend,	6,510 45
Discount earned since last dividend,	305 41
	\$172,574 93
Real estate owned by the bank, viz.	
Banking house,	2,500 00
Bills of solvent banks in this State,	6,312 00
Out of the State,	2,000 00
	8,312 00
Balances due from other banks, viz.	
Banks in the State,	556 56
Out of the State,	34,132 87
	34,700 00

Gold, silver, and other coined money	
belonging to the bank,	6,552 63
Debts due to the bank, viz.	
From directors of this bank,	8,710 00
do. other individuals in this State,	111,690 87
	120,400 87
	\$172,574 93

This bank has not any suspended paper or doubtful debts.

WHALING BANK, 2d Feb. 1841.

Capital stock paid in, viz. Transferable.	
Owned by citizens of this State,	143,925 00
Of other States,	6,075 00
	150,000 00
Not transferable,	4,150 00
	154,150 00
Bills of the bank in circulation,	42,977 00
Balances due to banks of this State,	2,668 38
Out of this State,	232 23
	2,900 61
Deposits not bearing interest,	20,688 83
Dividends unpaid,	1,016 25
Surplus fund, or profit and loss, after declaring last dividend,	6,030 13
Discount earned since last dividend,	869 15
	\$225,631 97
Real estate owned by the bank, viz.	
Other than the banking house,	5,400 00
Bills of solvent banks. In this State,	1,311 00
Out of the State,	285 00
	1,596 00
Balances due from other banks. Out of the State,	37,716 55

Gold, silver, and other coined money			
belonging to the bank, - - - -		4,697	34
Treasury Notes, - - - -		12,178	29
Stock of this bank owned by the institution, -		2,250	00
Personal estate owned by the bank, - - -		1,500	00
Debts due to the bank, viz.			
From directors of the bank, -	13,500	00	
From individuals in this State, -	98,423	21	
Do. out of this State, -	50,570	38	
			<u>163,293 59</u>
			<u>\$228,631 97</u>
This bank has a surplus fund of - - - -		6,030	18
Suspended debts of 1837, - - - -		5,579	60

NEW LONDON BANK, 2d Feb. 1841.

Capital stock paid in, viz. Transferable.			
Owned by citizens of this State, -	114,937	50	
Do. of other States, -	10,032	50	
			<u>125,000 00</u>
Not transferable, - - - -		27,562	50
			<u>152,562 50</u>
Bills of the bank in circulation, - - -		33,865	00
Balances due to banks of this State, - -		706	53
Deposits not bearing interest, - - -		9,892	02
Dividends unpaid, - - - -		1,122	00
Surplus fund or profit and loss, after			
declaring last dividend, - - -		3,237	03
Discount earned since last dividend, -	601	77	
Expense acc't out, - - - -		31	02
			<u>570 35</u>
			<u>\$201,455 88</u>

Real estate owned by the bank, viz. Bankinghouse, -		4,400	00
Bills of solvent banks in the State, -		400	00
Do. Out of the State, -		408	00
			<u>808 00</u>
Balances due from other banks, viz.			
Banks in this State, - - - -		2,362	79
Out of this State, - - - -		14,178	23
			<u>16,541 02</u>
Gold, silver, and other coined money be-			
longing to the bank, - - - -			6,154 86
Debts due the bank, viz.			
From the directors of the bank, -		7,194	00
Other individuals in the State, -	128,058	00	
Do. " out of the State, -	38,300	00	
			<u>173,552 00</u>
			<u>\$201,455 88</u>
Surplus fund of this bank, - - - -		3,237	03
Estimated loss on two small notes, - - -			375 00

MYSTIC BANK, 2d Feb. 1841, at 4 o'clock, P. M.

Capital stock paid in, viz. Transferable.			
Owned by citizens of this State, -	49,600	00	
Do. " of other States, -	400	00	
Not transferable, - - - -		1,000	00
			<u>51,000 00</u>
Bills of the bank in circulation, - - -		13,675	03
Balances due to banks of this State, - -		487	31
Deposits not bearing interest, - - -		4,359	37
Dividends unpaid, - - - -			309 00
Surplus fund, or profit and loss, after de-			
clarifying last dividend, - - - -		2,112	45
Discount earned since last dividend, - -			218 60
			<u>\$72,161 73</u>
Bills of solvent banks in this State, -		16	00
Out of this State, - - - -		13	00
			<u>29 00</u>

Balances due from banks out of this State,	-	3,740	61
Gold, silver, and other coined money belonging to the bank,	-	2,585	72
Funds in the hands of agents of the bank in New York and elsewhere,	-	9	80
Debts due the bank, viz.			
From directors of the bank,	16,552	00	
Other individuals in this State,	30,333	62	
Do. " out of the State,	18,940	98	
		65,326	60
		\$72,191	73
Surplus fund after declaring last dividend,	-	2,112	45
Suspended debt of E. M. Morgan & Co. in 1837,	-	3,209	41
120 acres new land incumbered,	600	00	
St. Lawrence land stock, do.	2,000	00	
		\$5,809	41

All grew out of the liabilities of E. M. Morgan & Co., and probably of very little or no value: yet this bank continues to make its regular dividends.

There was due from the directors of this bank, Feb. 2, 1841, \$16,552 as makers,—being nearly *one third* of its capital loaned directly to directors.

On the 30th April, 1841, the gross amount of indebtedness and liabilities of the heaviest director, as maker, drawer, indorser, &c., was \$18,760. 50, being *more than one third* of the whole capital of the bank.

The amount of accommodation paper, or dead loans, to the two largest debtors to the bank, one of which includes the above, was \$16,256. 29, being nearly *one third* of the capital.

The amount of accommodation paper, or dead loans, to the three next largest debtors to the bank, was \$7,613. 40.

STONINGTON BANK, 2d Feb. 1841.

Capital stock paid in, viz. Transferable.			
Owned by citizens of this State,	50,000	00	
Not transferable,	6,950	00	
		56,950	00
Bills of the bank in circulation,	-	-	37,957 00
Balances due to other banks, viz.			
Of this State,	464	54	
Of other States,	1,282	26	
		1,746	80
Deposits not bearing interest,	-	-	25,472 26
Dividends unpaid,	-	-	1,096 00
Surplus fund, or profit and loss, after declaring last dividend,	-	-	4,614 56
Discount earned since last dividend,	-	-	675 49
		\$128,512	11
Real estate. Banking house,	-	-	500 00
Bill of solvent banks, viz.			
In this State,	3,450	00	
Out of this State,	3,513	56	
		6,963	56
Balances due from banks,			
In this State,	1,049	23	
Out of this State,	29,887	19	
		30,936	42
Gold, silver, and other coined money belonging to the bank,	-	-	3,537 00
Debts due the bank, viz.			
From the directors of the bank,	15,261	64	
From other individuals in the State,	42,632	35	
Do. " out of the State,	22,280	31	
		58,574	50
		\$128,512	11
Surplus fund,	-	-	4,614 56
Suspended paper,	-	-	1,123 00

In some of the banks, your Commissioners spent but little time, as they were soon enabled to discover that every thing was correct and proper; while in others, they found a mass of bad and doubtful debts, the examination of which required much time and labor.

The act of the Legislature, May 1840, in relation to the Jewett City Bank, was carried into effect early in the summer following. The old board of directors vacated, and their places were filled by residents of this State. A majority of the stock continued in the hands of non-residents until the last of March, 1841, when it again changed hands, and is now owned altogether by citizens of this State. We are of opinion that this institution is now entitled to public confidence. Your Commissioners are satisfied that no sufficient inducements are offered to non-residents for the purchase of stock of any of our banks, and that no future effort will probably be made to obtain the control of any banking institutions in Connecticut, by citizens of another State.

The greatest losses which the banks have sustained, have arisen from two causes. 1st. The large amount of funds without adequate security, formerly in the hands of E. M. Morgan and Co., brokers; and 2d, Loans made abroad in 1836 and 37, mostly in the western parts of the state of New York. Since that time, the banks have made comparatively few bad debts.

The banking system in New England (though fraudulent practices with their evil consequences, in a few instances, have been witnessed, and cannot perhaps be effectually guarded against,) stands undeniably above any other in the United States; and the world can scarcely show a better system. Stockholders and the public find in the New England banks a safe guaranty for their future interests by referring to the past. Were the system perfect, it would be needless to discuss the subject: but general opinion is sustained by facts, that abuses have been suffered, and the question is, how shall their evils be corrected? In the opinion of your Commissioners, one important step is, that of sustaining and giving greater efficiency to the arrangement for redemption, now known as "The Suffolk Bank system." This method has been salutary in its influence, and has tended greatly to produce a healthy state in all our Connecticut and New England banks. By some banks, however, this mode is considered oppressive, and, no doubt, contentious for its support are unduly apportioned. Although imperfect, the system should not be abandoned, till a better is provided. The extent of failures that would have occurred, with their disastrous results, but for this conservative and regulating power, may be judged of, somewhat, by contemplating the present state of monetary affairs, throughout the south and west.

The currency of this State is of the first order, and cannot be improved, being equal to gold and silver. This is so long

language, we admit, yet perfectly true; for every bill holder, can, on demand, convert his bills into coin.

Your Commissioners take pleasure in giving so flattering an account of our banking institutions. Although some of them have deviated from duty and law, to which departures allusions have already been made, yet most of them have been conducted with great propriety and have studiously avoided any infringement of their charters or of the laws.

We hope they may continue to be so managed as to maintain and preserve the credit they now sustain. Merchants, mechanics, farmers and laborers are bound to pay their debts punctually; and banks are under at least an equal obligation to pay theirs, from which no consideration of interest should or can excuse them.

Should the banks be obliged, as formerly recommended, to keep one third of their circulation in specie, no reverse, or sudden excitement of times, could, with the present arrangements with the Suffolk bank, be of serious injury to any of them. If the times *should* come painfully hard, they could and would continue to redeem all their notes in specie. Any estate in the southwest part of Connecticut is now given for the bank issues of the opposite point, with as much safety and readiness as though it was located at the door of the receiver, the whole being at par at the Suffolk Bank, consequently with every bank redeeming there.

Occasional visits from commissioners with appropriate powers, would more effectually correct existing evils than much legislation; for while the present laws are nominally regarded, they are sometimes virtually evaded, for the convenience of particular institutions.

The returns to the Comptroller, in their present form, can do but little to elucidate the state and condition of the several banks. Every thing in the shape of debts, whether good or bad, is placed as resources of the bank, when, if examined, much of the paper in some of them, would be found to be of very doubtful character. We would, therefore, recommend, in the event of the continuance of the returns to the Comptroller, to have it more definite. The severance of the items of the resources of a bank, would show at one glance, the suspended debts of the institution, and render it easy to ascertain whether the assets were in a doubtful condition, and would elicit a full explanation; while the present mode may be a cover for all kinds of deception, as the assets may consist partly of bad and doubtful paper, which has remained past-due and unpaid, for a term of years, and may even consist partly of forged paper, which has sometimes been the case, while the

gross amount may appear as plausible and sound assets in figures as if they were so in fact.

The amount of debts due the bank from individuals, corporations and communities other than banks, which have matured and past-due for the space of days, should also be particularly noticed and so returned.

We recommend that a law be passed, containing the following provisions, viz.

1st. That no bank be allowed to have more than nine directors.

2d. That every bank should be compelled to transfer to an account called "suspended debts," all such discounted paper as has been over-due for thirty days or more.

3d. That all suspended debts which have been due and unpaid twelve months, be charged to profit and loss, except debts well secured.

4th. That no director be permitted to be debtor, as maker, to more than a certain per cent. on the capital of the bank, and for all his liabilities of every kind and description, including the former, his indebtedness to the bank should not exceed per cent. of its capital.

5th. That no stock note should be discounted for a greater sum than three-fourths of the actual value of said stock, and that none should exceed four months to run, and that all such notes should be paid in full at maturity. And in case of failure in payment at the expiration of said note, that the stock should be sold at auction in 20 to 30 days, to pay such note, after being advertised 10 days—the balance, after paying the note and incidental charges, to be passed to the credit of the original owner.

6th. That no stock be voted on by proxies at the election of directors.

The provisions of restricting stock notes to a certain amount, and having them paid in full at 4 months, will be a salutary guard against certain encroachments of the directors and stockholders, who purport to have invested capital, yet have withdrawn the same for the purpose of purchasing large amounts of stock to control the bank; thereby securing to themselves a perpetual loan at the expense of the bank, the business community, and the honest stockholder, who made a permanent investment for banking purposes. Further, such borrowers not unfrequently obtain perpetual loans, by continuing renewals, which absorb the capital, and the institution is thus rendered any thing but what it purports to be.

The provisions for restricting the liabilities of our banking institutions, should be more accurately defined. The present

law, as construed, would tolerate the directors' using directly and indirectly, the whole capital of the bank, although they are prohibited from having, as makers of notes directly, more than nine thousand dollars in addition to the amount of stock they own.

Encroachments upon the capital of the banks by way of dividends should never be tolerated, being not only in direct violation of their charters and the statute, but may also have an immoral tendency. Those in possession of accurate knowledge may constantly deceive the credulous and unsuspecting by palming off depreciated stock. Purchasers in general, are disposed to invest in banks where regular dividends are declared, and it probably seldom enters their minds that the capital is not sound and entire. Thus, if a portion of the capital of the institution has been divided out, the honest purchaser may be deceived; and if it should happen to fall, as it sometimes may, upon the poor mechanic and laborer, the widow and orphan, it would be peculiarly lamentable.

We are sensible that no honest man would thus deceive, yet directors are but men, and they may at times deviate from strict principles, and propriety of conduct, in common with the world in general.

The continued practice of depositing large sums with brokers, we consider reprehensible, although in general such funds are subject to be withdrawn at pleasure. We notice in the hands of brokers and bankers during the month of February last, \$15,424 $\frac{3}{4}$ dollars, on interest at 4 $\frac{1}{2}$ to 6 per cent., principally the latter. The security various; generally quite inadequate, and in some instances nothing.

The amount loaned out of the State by twenty banks from May 10, 1810, to February 1811, (exclusive of loans to brokers,) is \$514,393 $\frac{1}{2}$ dollars.

The amount taken for exchange by twenty-four banks from May 10, 1810, to February 5, 1811, is 26,978 $\frac{1}{2}$ dollars.

The amount credited to profit and loss by the banks in this State, for lost bills is only 7432 dollars.

Banks generally divide their earnings too closely. We notice that one bank declared a dividend on the 1st of January last, of 4 per cent., leaving but a trifling surplus; indeed we may say nothing, taking into consideration that the discounts are not actually earned until the notes mature and are paid. This mode is, however, adopted by all the banks in estimating earnings, although in our view it is erroneous. A bank should always retain something, say 1 to 2 per cent. to meet discount passed to credit of profit and loss, not actually earned, as, before all the notes are due and paid, some of them may

prove valueless. Yet if banks would go no farther than to divide on all that appears to credit of profit and loss, (the discount actually earned or not,) first deducting debts unquestionably bad, they would act with more propriety than marks the conduct of *some* institutions.

A sense of duty has compelled us to remark with freedom on some of the banks, which have deviated from propriety, and divided out a portion of their capital in direct violation of the statute before quoted. We are no enemies to banks. We think that sound, well regulated banks are needed to facilitate and give life and activity to business. But past experience has proved that *some* of them should be closely watched, lest any encroachments be made on their capital; for if they are permitted to divide 5 per cent, they may divide 10, 20, and 50, and so continue until the whole capital is gone. To avoid this, the Legislature passed the act before mentioned, notwithstanding the language of their charters expressly prohibited the banks from encroaching on their capitals.

Some of the banks question their liability to be taxed for any portion of the expenses incurred by the appointment of commissioners: others, with much propriety, remark that the expenses are not equitably apportioned, as in many instances, more time and expense are devoted to visit a single bank, of a capital of some 50 or 100,000 dollars, than another of a million. As the law now directs in relation to the expenses, one bank is subjected to pay upwards of one-eighth of the whole; and as this is an eximiation primarily for the good of the public, rather than that of the stockholders, we submit to the Legislature the propriety of the expenses being paid by the State, and not by the banks.

In conclusion, the undersigned would submit to the Legislature: whether some of the before mentioned practices of certain banks ought to be any longer tolerated. We are of opinion that the banks ought not to be permitted to divide from their income, a portion of their capital under the name of dividends; that no check ought to be taken as a cloak or cover for a bribe; and that excessive rates of exchange should in no instance be exacted: that banks ought not to continue to place as part of their resources, a mass of suspended and idle paper, much of which is of little, some of it from two to three years past due, and a portion of it totally worthless, beyond all question.

Alfred Hill respectfully submitted.

ALFRED HILL, }
WILLIAM CHAPPELL, }
WILLIAM ETHER, JR., }
Depts. Commission.

Wilmington, May 20, 1837.