

the last of December, 1838, was \$1,835,537 02—being an increase of \$1,307,570 96.

It will also be seen that on the 30th November, 1837, the Bank of Louisville had \$932,525 71 of notes under discount; and that, on the 1st of December, 1838, she had \$1,058,340 78—being an increase of \$126,213; and in 1837 she had \$186,377 73 in bills; and that on the last of December, 1838, she had \$344,531 15—being an increase of \$158,153 42; and her circulation was then \$99,545, and was the last of December \$468,514—being an increase of \$369,019; and she then had \$153,069 95 in specie; and had on the last of December \$142,946 61—being a decrease of \$10,123 34.

The committee have no means of ascertaining the true proportion between the annual amount required by the community in the banking operation in the bill line and in the discount line. They know the amount will vary in each year, because of the increase and decrease of the prices of produce; and it is reasonable to suppose that the suspension and interruption of trade would have some effect on the different lines of business, but still they suppose it could rarely happen that the requirements of trade in the bill line would equal the business in the discount line. They cannot be mistaken in asserting, as a general principle, that the business of the banks ought not to be forced into the bill line, and that any constraint on the part of the banks to force the business of their customers into that line would be an infraction of their charters, and a violation of the duty they owe the public.

It will be seen from the tables that, on the last of December, the notes under discount, in all the banks, was \$7,951,014 34, besides the suspended debt; and the bills of exchange was \$4,066,333 49; and that the bills of exchange constitute about one-third of the business of the banks. The subject of exchange is one of great interest to the banks and to the people: the commerce of the world is carried on, and the balances due from one country to another, settled through its agency. The course of our own trade illustrates its operation: we sell our bale-ropes and bagging, and most of our other productions, in the south, and with the proceeds purchase bills on the eastern cities, and thus pay for the merchandise which we buy in the north; to the south we sell more than we buy, and the trade is in our favor; from the north we purchase more than we sell, and the trade is against us: the balance in our favor from the south pays the balance against us in the north; the payments are made through the agency of bills of exchange; the price of exchange is the cost of transporting the money from one place to the other, and cost of insurance, and the loss of interest. Where the currency is sound, and the trade healthy, the consuming country pays the exchange; but where the currency is unsound, and the trade a losing one, the reverse is the case. The banks furnish the money to our southern traders on their bills, payable in the south, and invest the proceeds in bills on the north; and by drawing bills on the north in favor of our merchants, pay for our merchandise, and retain their specie, which would otherwise pass to the north in payment of the balance against us. Thus it is seen that exchange is essential to a bank of circulation, otherwise it must import specie to meet its waste, in payment of the balances against us, in favor of the countries from which we purchase more than we sell; and it is highly interesting to the people for the ease and security it affords in carrying on the mercantile operations of the country. The committee have examined the banks as to the

operations in exchange, and the price which they have charged, and the various places on which they purchased bills; and have caused a table to be compiled for the more readily understanding it. The variations to be found in the premiums charged on bills on the south arose from the suspension of specie payments, and the fact that the paper of the banks in the south was more depreciated than our own—these bills had to be collected in the notes of the southern banks, and, when so collected, a greater discount had to be given for specie, or eastern funds, than the premium received—and the uncertainty whether the premium at which our banks could sell their eastern funds might not be sufficient to make up the difference, and the loss of interest; and the further fact, that in times of suspension the tendency of a paper currency not convertible into gold and silver is to a still further depreciation; to meet which, provision had to be made in the premiums charged. It is satisfactory to see that, so soon as a resumption of specie payments was determined on in the south, the banks of Kentucky reduced the premiums on bills. The committee are of opinion that the banks of Kentucky are not liable to the imputation of practising usury, under pretence of charging premiums on exchange; but that the premiums charged, under the circumstances, were not more than a fair equivalent for the risk run. The banks will realize a profit on the southern funds not invested before the resumption in the south; but had the resumption not taken place, they might have lost, and could have realized but little profit. The banks might practise usury under color of exchange, and the rates at which they buy and sell exchange should be carefully looked to, and the banks preserved from the taint of usury, by a fixed determination on the part of the representatives of the people to keep them within the pale of their charters. The banks might also practise usury by discounting notes, to be paid in the notes of banks which are under par. There have been some instances of it in the practice of our banks, as will be seen by a careful examination of the written questions and responses; it is a practice which ought not to be tolerated, and which must be discontinued. The committee are of opinion, from the parol examinations they made of the officers of the banks on the subject, that it arose from no settled purpose of practising usury, and will be abandoned on the expression of the disapprobation of the Legislature.

In the parol examinations which the committee made of the officers of the several banks, they ascertained that the Northern Bank of Kentucky, the Bank of Louisville, and the Louisville Savings Institution, considered that they had the right, under their charters, to sell bank notes at a premium, and thus to use them as exchange, and that they were in the constant habit of doing so; but when examined as to their right, under their charters, to purchase bank notes under par, and thus use them as exchange, they did not express a full conviction of the power, and declared that it was not their practice. It was ascertained the Bank of Kentucky had taken counsel on the questions, and considered they had no power to purchase bank notes under par, or to sell them above par, and had not practised either. The committee, in their parol examinations of the officers of the banks, examined them as to their opinions of the advantages and disadvantages of such a power, and found a difference of opinion prevailed.

They have been induced to bestow some attention upon the question; and the more they have examined it, the more has the importance of a correct decision impressed itself on their judgment.

It seems to the committee that banks are nothing more than mercantile establishments dealing in money, and authorized, to a certain extent, to substitute their own notes in its place, and, with their capital and their credit, to furnish the means and facilitate the exportations of the surplus of the country, and the importation of the articles required for its consumption. From an examination of the bank charters, they find their powers limited to this extent, although broader powers seemed, from some expressions, to have been at first contemplated. They are authorized to deal in money, and to substitute their own notes for money. They are authorized to discount promissory notes, but such notes must be made payable and negotiable at some incorporated bank in the State. The common promissory note of an individual they cannot discount; and a bank note is but the promissory note of a corporation. They cannot discount a negotiable note after it falls due, although it remains unpaid; and a bank note is due on demand, or on demand after a certain day, and not the subject of bank discount. They are authorized to deal in exchanges; but a bank note is not exchange—it was sent into the world as money, and, if it fulfils its mission, it must be taken and held as money. In judicial proceedings, a payment in bank notes is held a payment in money; and an action for money had and received will be sustained, where the proof is that bank notes were received. By the practice and consent of mankind, bank notes are taken and held as money, and are substituted by the banks as such. If they are not circulated and used as money, they must be degraded to the condition of common promissory notes, and as such prohibited to the banks. When individuals receive bank notes in payment of debts, they receive them as money; and when banks receive them in payment of debts, they also receive them as money. They remain in the banks as money, and as such must be paid out by the banks; for the banks have no authority to deal in them, except as money. The committee are of opinion that the practice of selling bank notes at a premium is not warranted by the charters of our banks; and that the purchasing bank notes at a discount is also prohibited; and that neither should be practised.

They believe that the power, if possessed and practised by the banks, would degrade the institutions from dealers in money and exchange to that of brokers and shavers; that they would no longer be the handmaids of agriculture, manufactures, and commerce, interested in maintaining a sound currency and a healthy action in all the business pursuits of life, but would be harpies, fattening on the disorders of the currency, and interested in its fluctuations; they would no longer furnish efficient aid to the business pursuits of life, but would use their capital and their credit in buying and selling the notes of each other, in total disregard of the object of their establishment, and to the destruction of the best interests of the community.

The money of the banks is kept active, the loans well secured, and latterly distributed among a larger number of customers. The postponed debts are but few, and in a course of reduction, in accordance with the terms on which time was given; and in almost every case the payments have been promptly made. The banks appear to be well managed, with fair dividends to the stockholders, and to afford efficient aid to all the business pursuits of life. The monthly tables exhibit but little variation in the amount of accommodations on the combined discount and bill line, and that variation grows out of the periodical increase and decrease of the business of the country. The diminution of specie has been less, considering the

amount of debt paid, and the sums required to supply change for the ordinary business of the country, than might have been expected. The banks availed themselves of the privilege granted at the last session, of issuing small notes to about the sum of \$300,000, and the issue was found to be of great advantage for the purposes of change, before the resumption; and since the resumption, has supplied the change for much of the ordinary business, and prevented a draught on the banks to supply specie for that purpose. The banks no longer pay out their own small notes, and they are in the course of withdrawal from circulation, and will be replaced with specie. The increased circulation of the banks will be maintained by the active character of the debts due the banks, and from the high prices which we are getting for all our products, which must bring a large amount of eastern exchange to pay for our merchandise.

The committee were solicitous to ascertain what proportion the circulation of the Kentucky banks bore to that of the whole paper circulation in the State. The result of their inquiries was, that our banks furnished from five to six sevenths of the entire circulation.

They made inquiry as to the character of superintendence which the Bank of Kentucky and the Northern Bank of Kentucky practised towards their branches; and were satisfied it was careful and efficient, and well calculated to guard the safety and usefulness of the branches.

They did not take the same course of examination that was pursued last year by the committee on banks, but so framed the questions as to reach the information they deemed most essential. They regret the branch at Maysville thought proper to answer one of the inquiries without giving the desired information.

The committee handed to the Bank of Kentucky and to the Northern Bank of Kentucky certain questions concerning the public moneys which had heretofore been deposited in those banks by the General Government, and the disbursement thereof; and the responses of those banks, with the tables containing the state of the accounts, from time to time, accompany this report; which they recommend to be published.

The officers of the banks afforded the committee every facility in making the examinations, and answered fully and fairly all questions put to them, touching the condition and operations of the banks, and the manner of keeping their books, and the connexion of the banks with the trade of the country.

The committee also examined the Louisville Gas and Water Company, with the view of seeing the capital stock with which the company was organized, and what arrangement they had made, or were likely to make, to light the city with gas.

All which is respectfully submitted.

JAMES GUTHRIE,	} Senate Com.
A. BEATTY,	
DAVID TRIMBLE,	} H. R. Com.
JOSEPH LECOMPTE,	
ELEZEMOND BASYE,	
B. H. REEVES,	

A consolidated statement, showing the resources and liabilities of all the banks in Kentucky, each month, from the 1st day of January, to the 31st day of December, 1838.

RESOURCES.				
1838.	Bills discounted.	Bills of exchange.	Suspended debt.	Real estate.
January	\$8,265,706 74	\$1,931,980 12	\$127,147 48	\$213,757 31
February	8,304,831 52	1,712,004 21	130,268 25	213,793 35
March	8,511,965 11	1,679,813 95	89,153 07	214,947 24
April	8,589,602 02	1,713,238 29	89,403 41	215,761 28
May	8,602,196 91	1,536,106 03	86,553 92	215,764 28
June	8,491,078 81	1,646,486 61	89,098 99	215,920 15
July	8,361,143 60	1,637,591 95	89,188 99	215,920 15
August	8,444,916 18	1,846,092 95	90,230 44	216,029 15
September	8,374,196 41	2,358,494 52	146,054 19	216,147 55
October	8,374,532 74	3,245,549 87	83,290 77	221,671 46
November	8,263,453 41	3,758,752 14	77,401 66	222,316 71
December	7,951,014 34	4,066,333 49	105,223 87	224,264 51

1838.	Expenses.	Due by other banks.	Specie on hand.	Notes of other banks.
January	\$11,724 47	\$1,822,782 59	\$1,809,793 18	\$523,162 82
February	20,693 54	2,042,272 85	1,805,881 03	271,159 17
March	30,142 03	1,567,896 21	1,827,431 41	831,099 69
April	37,336 24	1,480,063 83	1,850,685 83	969,702 37
May	43,390 00	1,702,728 48	1,908,537 95	940,544 85
June	8,232 95	1,547,127 99	2,027,304 81	690,476 26
July	7,842 04	1,924,588 24	1,966,514 86	831,302 43
August	16,134 61	1,684,956 45	1,723,546 42	730,293 95
September	23,706 70	1,376,299 62	1,678,781 18	741,848 45
October	30,605 86	1,257,229 52	1,663,361 11	946,901 04
November	38,163 08	1,055,231 17	1,604,992 76	539,042 15
December	4,551 72	1,394,183 10	1,613,133 83	861,798 72

1838.	State and city bonds.	Bank checks unpaid.	Treasurer of the State.	Interest account.
January	\$2,375,000 00	\$171,676 42		
February	2,375,000 00	66,883 96		
March	2,375,000 00	193,295 26	\$4,118 15	\$31,162 99
April	2,385,000 00	82,095 18	4,117 85	20,625 00
May	2,510,000 00	143,717 85		20,735 67
June	2,510,000 00	61,315 88		52,500 00
July	2,510,000 00	43,892 69		
August	2,510,000 00	27,810 79		
September	2,510,000 00	15,527 00		
October	2,510,000 00	14,777 00		
November	2,510,000 00	27,330 85		13,863 22
December	2,510,000 00	26,884 75	451 48	31,000 00

STATEMENT—Continued.

RESOURCES.					
1838.	City of Louisville.	Certificate of deposit, Vicksburg.	Costs of suits.	Interest paid Bank United States.	Suspense account.
January	\$244 73				
February	415 13				
March	-				
April	-				
May	1,308 83			\$9,219 04	
June	8,090 46				
July	163 56				
August	692 16				
September	907 73	\$9,389 98	\$7 75	13,750 00	
October	702 38	9,389 98		13,750 00	
November	1,478 64			8,763 13	\$766 59
December	1,137 41		111 54		1,009 79

1838.	Premiums.	Protest account.	State of Kentucky.	Interest on deposits, and expenses.	Due from superintendent on rivers.
January	-	-	-	\$704 18	\$2,412 55
February	\$231 14	\$1 66	-	1,234 80	1,326 57
March	-	1 66	-	1,474 52	6,326 57
April	-	-	-	2,315 93	6,326 57
May	-	-	-	3,060 53	17,620 07
June	-	-	-	3,344 95	48 00
July	-	-	-	1,196 25	48 00
August	-	-	-	2,322 21	93 50
September	-	-	-	2,668 61	41 00
October	-	-	-	3,820 81	41 00
November	-	-	-	4,318 04	41 00
December	-	-	\$25,000 00	4,634 01	41 00

1838.	Cash in transitu.	City of Louisville sinking fund.	Bank notes and silver.	Total.
January	\$4,981 01	-	\$27,589 08	\$17,588,692 68
February	4,981 01	-	25,631 41	17,676,629 63
March	-	-	20,073 92	17,373,901 88
April	-	-	25,903 67	17,472,180 47
May	-	-	23,473 56	17,764,957 99
June	-	-	46,494 24	17,697,430 10
July	-	-	25,056 61	17,664,449 37
August	-	-	20,318 42	17,313,378 13
September	-	\$194 53	29,259 08	17,497,273 70
October	-	-	33,704 53	18,410,097 66
November	-	-	26,580 01	18,452,737 18
December	-	-	40,426 65	18,861,200 28

STATEMENT—Continued.

LIABILITIES.				
1838.	Capital stock.	Notes in circulation.	Individual deposits.	Due to other banks.
January - -	\$8,634,644 36	\$4,083,310 00	\$1,159,672 89	\$1,080,730 30
February - -	8,659,604 60	4,187,735 00	1,271,738 84	1,061,330 53
March - - -	8,664,929 60	4,092,635 00	1,253,135 57	1,202,050 86
April - - -	8,666,920 60	4,139,935 00	1,331,759 37	1,072,025 55
May - - - -	8,683,510 60	4,279,303 00	1,371,070 41	948,255 03
June - - - -	8,731,155 60	4,507,170 00	1,467,789 23	758,655 64
July - - - -	8,758,227 60	4,526,220 00	1,322,143 36	643,504 75
August - - -	8,773,433 60	4,350,876 00	1,328,262 53	611,510 59
September -	8,776,718 60	4,634,647 00	1,355,822 23	706,945 06
October - - -	8,822,925 00	5,251,856 00	1,349,129 68	896,059 15
November - -	8,864,390 00	5,331,434 00	1,268,433 29	897,012 10
December - -	8,918,004 00	5,418,320 00	1,459,112 57	1,029,107 40

1838.	Due to Treasury of the State.	Due to Treasury of the United States.	Due commissioners of sinking fund.	Due treasurer of internal improvement.
January - -	\$38,076 30	\$777,347 92	\$55,137 14	\$116,784 57
February - -	33,122 86	761,380 02	72,944 62	9,133 01
March - - -	22,645 86	709,189 69	1,996 55	-
April - - -	15,027 07	700,904 40	23,295 41	8,631 26
May - - - -	175,818 72	727,063 90	7,191 66	1,531 26
June - - - -	65,709 53	568,295 18	7,191 66	2,367 76
July - - - -	33,550 21	747,506 57	40,786 20	115,179 10
August - - -	25,751 83	461,097 76	40,393 20	140,913 18
September -	6,831 80	155,816 45	71,606 21	204,677 03
October - - -	3,340 65	177,842 22	23,628 64	234,114 82
November - -	4,872 20	193,416 43	42,838 84	179,830 69
December - -	69,957 45	338,946 70	9,805 52	245,744 84

1838.	Contingent fund, and profit and loss.	Discounts and premiums.	Bank of United States.	Board of education.
January - -	\$243,240 30	\$44,749 53	\$1,193,761 80	-
February - -	243,240 30	118,480 10	1,193,761 80	-
March - - -	243,240 30	200,352 17	918,761 80	-
April - - -	243,251 70	247,025 88	918,761 80	\$22,847 77
May - - - -	243,251 70	302,292 93	918,761 80	22,597 77
June - - - -	304,022 37	259,327 69	918,761 80	22,597 77
July - - - -	230,710 98	60,528 31	918,761 80	22,597 77
August - - -	229,176 38	123,220 01	918,761 80	22,225 92
September -	229,176 38	198,267 98	918,761 80	22,125 02
October - - -	229,176 38	279,056 50	918,761 80	22,125 02
November - -	229,176 38	348,261 78	734,380 90	21,975 02
December - -	360,089 92	278,612 02	459,380 90	21,945 02

STATEMENT—Continued.

LIABILITIES.					
1838.	Dividends unclaimed.	On account of internal improvement.	District court U. States.	James Clark, Governor.	Costs of suit.
January - -	\$40,280 47	-	-	-	-
February - -	10,944 41	-	-	-	-
March - - -	10,108 10	-	-	-	-
April - - -	9,395 59	-	-	-	-
May - - - -	8,920 19	-	-	-	-
June - - - -	7,927 77	-	-	-	-
July - - - -	131,021 67	-	-	-	-
August - - -	97,436 21	\$3,181 23	-	-	-
September -	75,428 43	4,141 53	-	-	-
October - - -	70,703 32	-	-	-	-
November - -	22,275 44	-	\$2,220 00	\$100,000 00	\$34 78
December - -	21,538 55	-	2,220 00	100,000 00	-

1838.	Real estate fund.	Due State of Kentucky.	Due to State Government officers.	Deposites at 4 per cent. interest.	Weekly deposits.
January - -	-	\$15,000 00	-	\$41,590 61	\$6,358 00
February - -	-	-	-	41,798 61	6,852 50
March - - -	-	-	-	45,230 61	2,054 50
April - - -	-	-	-	61,090 61	3,157 00
May - - - -	-	-	-	59,397 65	4,918 75
June - - - -	-	-	-	57,092 05	8,895 75
July - - - -	-	-	\$42,508 96	56,732 30	4,990 75
August - - -	-	-	112,508 96	60,231 71	2,082 75
September -	-	-	57,720 44	66,563 71	2,100 00
October - - -	-	-	29,247 94	67,668 71	5,700 00
November - -	-	-	128,449 94	63,817 13	2,169 79
December - -	\$2,500 00	-	32,124 94	64,278 13	4,929 79

1838.	Due treasurer of city Louisville.	Profit and loss, discount, exchange, and interest.	City of Louisville sinking fund.	Total
January - -	-	\$2,958 19	-	\$17,588,692 68
February - -	-	4,542 38	-	17,676,629 63
March - - -	\$1,529 14	6,035 83	-	17,373,901 88
April - - -	893 48	7,284 95	-	17,472,180 47
May - - - -	-	11,019 62	-	17,764,957 99
June - - - -	-	12,216 80	-	17,697,430 10
July - - - -	-	6,683 79	\$2,795 25	17,664,449 37
August - - -	-	8,690 47	3,324 90	17,313,378 13
September -	-	9,724 00	-	17,497,273 70
October - - -	-	11,190 91	1,529 72	18,410,097 66
November - -	-	12,630 42	3,608 05	18,452,737 18
December - -	-	14,013 23	10,199 53	18,861,200 21

U 1—Continued. RATES OF EXCHANGE—Continued.

BANK OF KENTUCKY—

AT MAYSVILLE.

WHERE PAYABLE.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
New Orleans	-	3	3	3	5	5	5	5	-	2	2	
Georgia	-	9	9	9	-	-	-	-	3	half	half	
South Carolina	-	9	9	9	half	half	half	half	-	half	half	
Louisville	-	9	9	9	half	half	half	half	-	half	half	
Lexington	-	9	9	9	half	half	half	half	-	half	half	
Boston	-	9	9	9	half	half	half	half	-	half	half	
Philadelphia	-	9	9	9	half	half	half	half	-	half	half	
Pittsburg	-	9	9	9	half	half	half	half	-	half	half	
Richmond, Va.	-	9	9	9	half	half	half	half	-	half	half	
Charleston, Kena.	-	9	9	9	3	-	3	3	2	2	2	
Wheeling	-	9	9	9	half	half	half	half	-	half	half	
Paris	-	9	9	9	half	half	half	half	-	half	half	
Cincinnati	-	9	9	9	half	half	half	half	-	half	half	
Baltimore	-	9	9	9	half	half	half	half	-	half	half	
New York	-	9	9	9	half	half	half	half	-	half	half	

AT DANVILLE, GREENSBURG, HOWLING GREEN, HOPKINSVILLE.

The returns from these branches are not entirely full; the rates of exchange are, however, about the same as exhibited above.

NORTHERN BANK—

AT LEXINGTON.

WHERE PAYABLE.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
New Orleans	-	3	3	3	9	9	9	9	3 to 5	2	2	2
Richmond, Va.	-	3	3	3	9	9	9	9	2	2	2	2
South Carolina	-	3	3	3	9	9	9	9	2	2	2	2
Georgia	-	3	3	3	9	9	9	9	2	2	2	2
Within the State	-	3	3	3	9	9	9	9	2	2	2	2
Philadelphia	-	3	3	3	9	9	9	9	2	2	2	2
Natchez	-	3	3	3	9	9	9	9	2	2	2	2
Cincinnati	-	3	3	3	9	9	9	9	2	2	2	2
New York	-	3	3	3	9	9	9	9	2	2	2	2
Baltimore	-	3	3	3	9	9	9	9	2	2	2	2
Washington city	-	3	3	3	9	9	9	9	2	2	2	2
St. Louis	-	3	3	3	9	9	9	9	2	2	2	2

U 1—Continued. RATES OF EXCHANGE—Continued.

NORTHERN BANK—

AT LOUISVILLE.

WHERE PAYABLE.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
New Orleans	-	2 to 3	3	3 to 5	5	3 1/2 to 5	5	3 to 5	2 to 3	2	2	2
New Albany	-	half	half	half	half	half	half	half	half	half	half	half
Cincinnati	-	half	half	half	half	half	half	half	half	half	half	half
Madison and New Albany	-	half	half	half	half	half	half	half	half	half	half	half
Wheeling and Pittsburgh	-	par	par	par	par	par	par	par	par	par	par	par
Frankfort and Danville	-	half	half	half	half	half	half	half	half	half	half	half
Hopkinsville, Bowling Green	-	par	par	par	par	par	par	par	par	par	par	par
Greensburg	-	half	half	half	half	half	half	half	half	half	half	half
Lexington, Maysville	-	half	half	half	half	half	half	half	half	half	half	half
Terre Haute, Vincennes	-	1	1	1	1	1	1	1	1	1	1	1
Evansville	-	1	1	1	1	1	1	1	1	1	1	1
St. Louis	-	2	2	2	2	2	2	2	2	2	2	2
Charleston, and Richmond, Va.	-	1	1	1	1	1	1	1	1	1	1	1
Shawneetown	-	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Philadelphia and New York	-	half	half	half	half	half	half	half	half	half	half	half
Baltimore	-	half	half	half	half	half	half	half	half	half	half	half

AT PARIS, COVINGTON, RICHMOND.

The rates of exchange at these branches are about the same as above exhibited.

BANK OF LOUISVILLE.

New Orleans	-	2	-	-	-	-	-	-	-	-	-	-
Cincinnati	-	half										
Madison and New Albany	-	half										
Wheeling and Pittsburgh	-	half										
Frankfort and Danville	-	half										
Hopkinsville, Bowling Green	-	1	1	1	1	1	1	1	1	1	1	1
Greensburg	-	1	1	1	1	1	1	1	1	1	1	1
Lexington, Maysville	-	half										
Terre Haute, Vincennes	-	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Evansville	-	1	1	1	1	1	1	1	1	1	1	1
St. Louis	-	2	2	2	2	2	2	2	2	2	2	2
Charleston, and Richmond, Va.	-	1	1	1	1	1	1	1	1	1	1	1
Shawneetown	-	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Philadelphia and New York	-	half										
Baltimore	-	half										

RATES OF EXCHANGE—Continued.

MECHANICS' SAVINGS INSTITUTION OF LOUISVILLE.

WHERE PAYABLE.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
Frankfort	half	half	.	1 half	1	.
Pittsburg	.	.	1	.	.	.	1	1	1	1	1	.
Vincennes	.	.	2	1 to 1	1	2	1	1	1	1	1	.
Cincinnati	.	.	.	1	1	1	1	1	1	1	1	.
Stoubcuville	.	.	.	1	1	2	1	1	1	1	1	.
Evansville, Indiana	.	.	.	1	1	1	1	1	1	1	1	.
Wheeling	.	.	.	1	1	1	1	1	1	1	1	.
St. Louis	.	.	.	1	1	1	1	1	1	1	1	.
Alton, Illinois	.	.	.	1	1	1	1	1	1	1	1	.
New Albany	.	.	.	1	1	1	1	1	1	1	1	.
Baltimore	.	.	.	1	1	1	1	1	1	1	1	.
Lexington	.	.	.	1	1	1	1	1	1	1	1	.
Paris	.	.	.	1	1	1	1	1	1	1	1	.
Bowling Green, Kentucky	.	.	.	1	1	1	1	1	1	1	1	.

Classification of debts at the several banks, from January 31 to December 31, 1838.

BANK OF KENTUCKY—

AT LOUISVILLE.

1838.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 3,000.	3,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	108	126	223	54	24	15	11	1	1	1	4	1
February	155	126	232	56	26	13	11	1	1	1	4	3 over 50,000.
March	155	131	238	53	28	13	9	1	2	1	4	1
April	162	129	245	55	22	17	4	1	2	1	4	1
May	167	127	240	51	27	16	6	1	2	1	4	1
June	166	122	226	60	23	19	4	2	2	1	4	1
July	174	119	222	57	23	19	2	2	2	1	4	1
August	166	127	234	57	21	16	2	4	2	1	4	1
September	165	131	246	54	22	13	4	3	2	1	4	1
October	165	130	257	59	20	14	5	2	1	1	3	1
November												
December												

U 1--Continued.
CLASSIFICATION OF DEBTS--Continued.

BANK OF KENTUCKY--

AT FRANKFORT.

1838.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	19	22	40	1	1							
February	-	17	35	1	1							
March	-	13	27	1								
April	-	8	27									
May	-	9	27									
June	-	8	22									
July	-	11	25	2								
August	-	12	22	3								
September	-	12	21	6								
October	-	10	30	7								
November	-	10	32	7								
December	-	10	32	7								

AT LEXINGTON.

1838.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	251	106	160	16	4	1						
February	-	124	152	12	4							
March	-	257	145	16	3							
April	-	270	158	17	3							
May	-	266	121	18	3							
June	-	265	108	20	3							
July	-	265	114	15	1							
August	-	250	121	17	1							
September	-	244	152	13	1							
October	-	256	111	14	2							
November	-	-	-	-	-							
December	-	-	-	-	-							

U 1—Continued.
CLASSIFICATION OF DEBTS—Continued.

BANK OF KENTUCKY—

AT GREENSBURG.

1838.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	.	.	17	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
February	.	.	10									
March	.	.	6									
April	.	.	13									
May	.	.	7									
June	.	.	5									
July	.	.	5									
August	.	.	3									
September	.	.	2									
October	.	.	2									
November	.	.	2									
December	.	.	2									

1838.

AT BOWLING GREEN.

1838.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	134	41	43	4	Includes bills discounted and bills of exchange.							
February	132	37	44	5								
March	132	37	41	6								
April	134	41	37	8								
May	131	46	36	8								
June	128	46	37	7								
July	144	39	14	4								
August	154	40	38	7								
September	170	36	39	6								
October	171	47	33	1								
November								
December								

1838.

U 1—Continued.
CLASSIFICATION OF DEBTS—Continued.

BANK OF KENTUCKY—

AT HOPKINSVILLE.

Bills of exchange.

1888.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January												
February												
March												
April												
May												
June												
July												
August												
September			6									
October			10									
November		4	3									
December												

NORTHERN BANK OF KENTUCKY—

AT LEXINGTON.

1888.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	249	141	187	24	10		2		1			
February	259	150	156	25	6		1		1			
March	262	136	163	26	7		1		1			
April	269	131	151	28	9	1	1		1			
May	265	140	139	26	9		1		1			
June	280	154	152	28	6		1		1			
July	296	164	160	29	9		1		1			
August	293	167	174	28	5		1		1			
September	270	161	168	27	7				1			
October	264	143	170	24	7				1			
November		141	153	22	5				1			
December	257				5				1			

U 1—Continued.
CLASSIFICATION OF DEBTS—Continued.
NORTHERN BANK OF KENTUCKY—

AT LEXINGTON.

1888.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	10	39	78	6	7	1	1	1	1	1	1	1
February	9	22	59	9	7	1	1	1	1	1	1	1
March	13	20	40	6	1	1	1	1	1	1	1	1
April	15	22	30	9	1	1	1	1	1	1	1	1
May	21	24	31	9	1	1	1	1	1	1	1	1
June	18	35	49	5	1	1	1	1	1	1	1	1
July	36	35	75	4	1	1	1	1	1	1	1	1
August	54	46	110	12	3	1	2	1	1	1	1	1
September	56	61	145	23	3	2	3	1	1	1	1	1
October	56	60	155	24	7	2	3	1	1	1	1	1
November	56	60	155	24	7	2	3	1	1	1	1	1
December	53	58	150	26	7	1	4	1	1	1	1	1

AT LOUISVILLE.

1888.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	88	61	70	21	6	1	1	1	1	1	1	1
February	88	57	78	10	9	1	1	1	1	1	1	1
March	78	67	77	17	8	1	1	1	1	1	1	1
April	87	69	79	24	9	2	1	1	1	1	1	1
May	85	66	88	11	6	1	1	1	1	1	1	1
June	90	72	102	19	9	1	1	1	1	1	1	1
July	70	71	76	17	6	1	1	1	1	1	1	1
August	104	167	104	17	5	1	1	2	1	1	1	1
September	102	59	88	25	3	1	1	2	2	2	2	2
October	100	56	96	16	4	2	1	1	1	1	1	1
November	107	62	94	17	2	3	1	1	1	1	1	1
December	107	62	94	17	2	3	1	1	1	1	1	1

U 1—Continued.
CLASSIFICATION OF DEBTS—Continued.
NORTHERN BANK OF KENTUCKY—

AT LOUISVILLE.

1898.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	11	10	33	12	1	.	.	.	.	.	.	.
February	19	16	24	4	1	.	.	.	.	.	.	.
March	25	23	28	5	.	.	.	.	.	.	.	.
April	38	35	41	3	.	.	.	.	1	.	.	.
May	35	45	65	5	1	.	.	.	.	.	.	.
June	37	47	59	4	.	.	.	.	.	.	.	.
July	30	33	65	6	.	.	.	.	.	.	.	.
August	.	107	83	8	2	1	1	.	2	.	.	.
September	62	45	78	10	2	.	.	.	.	.	.	.
October	55	35	89	13	2	1	.	.	.	.	.	.
November	58	43	85	12	2	.	.	.	.	.	.	.
December	58	43	85	12	2	.	.	.	.	.	.	.

AT COVINGTON.

1898.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	154	37	53	3	4	.	1	.	.	.	.	.
February	153	39	52	3	3	.	1	.	.	.	.	.
March	144	47	59	6	2	.	1	.	.	.	.	.
April	147	47	61	3	2	.	.	.	.	.	.	.
May	163	43	57	5	2	.	.	.	.	.	.	.
June	162	42	56	5	2	.	.	.	.	.	.	.
July	154	56	72	6	2	.	.	.	.	.	.	.
August	184	49	64	5	2	.	.	.	.	.	.	.
September	163	52	80	7	1	.	.	.	.	.	.	.
October	160	51	77	6	1	.	.	.	.	.	.	.
November	163	52	80	7	1	.	.	.	.	.	.	.
December	160	51	77	6	1	.	.	.	.	.	.	.

U 1—Continued.
CLASSIFICATION OF DEBTS—Continued.
NORTHERN BANK OF KENTUCKY—

AT COVINGTON.

1838.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	-	-	-	-	-	-	-	-	-	-	-	-
February	-	16	24	9	1	10,000 to 15,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
March	-	16	21	7	1							
April	-	-	12	8	1							
May	-	14	13	11	1							
June	-	19	15	7	1							
July	-	23	12	12	1							
August	-	22	10	21	2							
September	-	23	22	21	3							
October	-	28	22	37	3							
November	-	27	20	46	1							
December	-	26	20	46	3							

AT PARIS.

1838.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	-	-	-	-	-	-	-	-	-	-	-	-
February	-	119	77	80	1	10,000 to 15,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
March	-	162	107	86	1							
April	-	182	114	83	1							
May	-	196	116	88	1							
June	-	232	129	73	1							
July	-	247	114	62	1							
August	-	265	127	75	2							
September	-	270	145	82	2							
October	-	245	130	79	2							
November	-	190	84	70	2							
December	-	181	67	61	1							

U 1—Continued.
 CLASSIFICATION OF DEBITS—Continued.
 NORTHERN BANK OF KENTUCKY—

AT RICHMOND.

1838.	Bills of exchange.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	4	9	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
February	3	2										
March	1	2										
April	1	1										
May	1	1										
June	1	1	3									
July	1	3	3									
August	2	3	9									
September	3	9	15									
October	9	19	30									
November	11	22	35									
December	10	22	36									

LOUISVILLE SAVINGS INSTITUTION—

AT LOUISVILLE.

1838.	Bills discounted.											
	100 to 500.	500 to 1,000.	1,000 to 5,000.	5,000 to 10,000.	10,000 to 15,000.	15,000 to 20,000.	20,000 to 25,000.	25,000 to 30,000.	30,000 to 35,000.	35,000 to 40,000.	40,000 to 45,000.	45,000 to 50,000.
January	55	316	34	12	3	4	1	1	1	1	1	1
February	53	275	32	6	3	3	1	1	1	1	1	1
March	63	296	40	6	5	3	2	1	1	1	1	1
April	63	282	34	9	7	2	2	1	1	1	1	1
May	66	306	43	7	8	1	3	1	1	1	1	1
June	60	306	33	7	7	1	3	1	1	1	1	1
July	61	296	29	8	6	1	3	1	1	1	1	1
August	59	291	33	10	3	1	3	1	1	1	1	1
September	62	298	33	8	3	4	1	1	1	1	1	1
October	59	291	33	8	3	4	1	1	1	1	1	1
November	62	298	33	8	3	4	1	1	1	1	1	1
December	59	279	41	6	3	4	1	1	1	1	1	1

U 1—Continued.
CLASSIFICATION OF DEBTS—Continued.

BANK OF LOUISVILLE.

1838.	Bills discounted.										12,000 and upwards.		
	100 to 500.	500 to 1,000.	1,000 to 2,000.	2,000 to 3,000.	3,000 to 4,000.	4,000 to 5,000.	5,000 to 6,000.	6,000 to 7,000.	7,000 to 8,000.	8,000 to 9,000.		9,000 to 10,000.	10,000 to 12,000.
January	127	87	60	25	29	20	8	6	6	5	5	8	10
February	115	97	73	30	25	18	6	7	7	4	4	7	12
March	126	83	70	35	21	19	7	5	4	7	5	9	16
April	127	81	89	34	22	10	4	5	2	2	12	6	9
May	142	91	91	33	25	26	9	7	4	6	3	15	5
June	152	84	92	42	23	26	6	7	4	4	5	9	15
July	142	85	78	41	24	26	6	7	6	6	4	11	14
August	131	91	78	35	26	25	3	7	9	4	5	10	15
September	129	102	83	36	25	21	7	6	4	4	5	11	14
October	132	106	91	28	29	19	7	7	5	5	5	11	14
November	141	88	82	34	28	18	10	8	6	6	10	8	13
December	147	114	79	42	37	14	9	10	7	7	3	3	16

Bills of exchange.

1838.	Bills of exchange.										12,000 and upwards.		
	100 to 500.	500 to 1,000.	1,000 to 2,000.	2,000 to 3,000.	3,000 to 4,000.	4,000 to 5,000.	5,000 to 6,000.	6,000 to 7,000.	7,000 to 8,000.	8,000 to 9,000.		9,000 to 10,000.	10,000 to 12,000.
January	6	6	6	6	4	2	2	1	1	1	2	2	2
February	7	5	7	4	3	1	2	2	2	2	2	2	2
March	18	15	10	3	1	1	1	1	1	1	1	1	1
April	21	25	20	5	1	1	1	1	1	1	1	1	1
May	27	30	25	13	4	1	1	1	1	1	1	1	1
June	30	33	15	12	4	1	1	1	1	1	1	1	1
July	27	39	17	16	7	3	1	1	1	1	1	1	1
August	30	40	19	15	8	2	1	1	1	1	1	1	1
September	32	45	20	13	7	1	1	1	1	1	1	1	1
October	37	40	25	15	8	2	1	1	1	1	1	1	1
November	43	35	32	16	8	2	1	1	1	1	1	1	1
December	47	30	35	18	9	4	1	2	2	2	3	3	5

Questions for the Bank of Kentucky.

1st. Have the branches of the Bank of Kentucky complied with the second and third sections of the act, approved the 16th of February, 1838, entitled "An act dispensing with quarterly, and substituting monthly statements, and providing for monthly balance-sheets to be lodged with the Secretary of State;" and has the Bank of Kentucky complied with said sections?

2d. Will the reports of the Bank of Kentucky to the Secretary of State exhibit the true condition of said bank and branches at the close of each month, from the 1st of January, 1838, to the 1st of January, 1839? And if they will not, then exhibit such a statement in connexion with your answer to this question.

3d. Has the business of the Bank of Kentucky been transacted on good and safe securities?

4th. What amount of bad debts have you made since your bank went into operation, and what amount of bad debts have been carried to the account of profit and loss, and what other sums have been carried to said account?

5th. What amount of debts due your bank is considered doubtful?

6th. Have the deferred debts in the Bank of Kentucky been reduced, in accordance with the terms on which they were deferred?

7th. Has that part of the capital employed in exchange yielded a greater profit than the part employed in direct loans; and if it has yielded a greater profit, how much, or what per cent.; and if it has not, why has it been employed in exchange?

8th. Is there greater punctuality in paying bills of exchange, than in paying notes discounted?

9th. Has the bank, when applied to for a loan of money, ever refused, by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

10th. Has the bank purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at the bank, at maturity?

11th. Has the bank ever taken a greater rate of interest than one per cent. for every sixty days?

12th. Has the bank discounted notes, or bills of exchange, with an understanding that the amount was to be taken in notes of less value than the notes of your bank?

13th. Why does your bank charge one half of one per cent. exchange between different places in your own State?

14th. Why has your bank charged so high a rate of exchange on New Orleans, and other places in the south?

15th. Has your bank extended accommodations to the citizens of your county and city, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

16th. Can you state and exhibit the aggregate amount loaned to citizens of Louisville, and the aggregate amount to citizens of other counties, separately?

17th. Has your bank neglected to fill any vacancy in the directory of the bank or branches; and, if so, say how long the vacancy was suffered to exist, and why?

18th. Has your bank regularly counted the cash, and examined the bonds of the officers, as required by your charter; and if it have not, say why it was omitted?

19th. Has your suspended debt been promptly and carefully attended to by your officers?

BANK OF KENTUCKY,
Louisville, December 21, 1838.

GENTLEMEN: We beg leave to present you with the following answers to the several questions propounded to the Bank of Kentucky, in the order in which they are presented.

ANSWER TO QUESTION 1ST.

The branches of the Bank of Kentucky have complied with the law alluded to, by furnishing monthly statements, and providing monthly balance-sheets. These have, by the branches, been sent to the parent bank, where they are embodied in the monthly exhibit sent to the Secretary of State. The Bank of Kentucky has complied with said law, as understood by us.

ANSWER TO QUESTION 2D.

The reports of the Bank of Kentucky to the Secretary of State exhibit the true condition of the parent bank at the close of each month, and of the branches to the last discount day of each month; to which period they are made, and not to the last day of the month. The monthly statements of the Bank of Kentucky, to 1st December inclusive, have been forwarded to the Secretary of State.

ANSWER TO QUESTION 3D.

We believe the business of the Bank of Kentucky to have been transacted on good and safe securities, that being always the first object of the directory. The circumstances of borrowers may, however, change; and, of course, with them, the security of the bank.

ANSWER TO QUESTION 4TH.

We are not aware that in our business we have made any debts that may be considered bad, and have, of course, carried none to account of *profit and loss*. We have some debts in suit, which may result in a loss; but to what extent, we cannot now determine.

We have carried the sum of \$905 92 to account of profit and loss, on a draft remitted for collection from Pittsburg. The collection clerk mistook the words "two months," for "four months." It was not paid by the party on whom it was drawn; and for the error of this bank, the Bank at Pittsburg claimed the amount. In justification of the clerk, we will say that it would have required very close scrutiny to distinguish.

ANSWER TO QUESTION 5TH.

This question is, in effect, met by answer 4. We have rarely had great difficulty in securing our suspended debt, by giving time to the parties; and in the active debt due the bank, where there is any doubt, we require additional security, which is always promptly given.

ANSWER TO QUESTION 6TH.

The deferred debts due the bank have generally been reduced in accordance with the terms on which they were deferred. We have, however, in most instances, taken from the parties bills of exchange, well secured, in part payment of their debts, drawn on such points as the bank wished to realize funds.

ANSWER TO QUESTION 7TH.

That portion of the capital of the bank employed in exchange has yielded a larger profit than an equal portion employed in direct loans, by about three-fourths of one per cent. Bills of exchange are created by the legitimate business of the country, and the holders resort to the banks, as affording the cheapest means of collection.

ANSWER TO QUESTION 8TH.

There is no greater punctuality in the payment of bills of exchange than of discounted notes, with the exception that a bank can rely upon the former to an extent which it cannot upon the latter. The reason is, that payment of the former being thrown at a distant point, any aid, if given, is given by banks other than that to which the bills belong, or at which they originate; while in the payment of notes by our own community, custom has seemed to require whatever indulgence the bank can give, either in the partial renewal of old paper, in the discount of new business paper, or of bills of exchange; which, while the bank is not curtailing her business, and does not require her means, is legitimate banking, provided the funds are distributed equally among the applicants.

ANSWER TO QUESTION 9TH.

This bank has never refused money on regular loan, and afterwards given it on bills of exchange, for the sake of exchange over and above interest. Bills of exchange on particular points are often desirable to a bank, either for the purpose of settling balances, or of creating eastern funds, always required by our banks; and it may have happened, as a necessary result, that we have, in such cases, refused regular discounts, and purchased such bills; or it may have happened that we have refused regular discounts to those whose accounts we considered sufficiently high already, and afterwards taken from the same parties bills of exchange payable at desirable points. It has also happened that bills of exchange, which the board did not think bore on their face a bona fide transaction, have been rejected, and the parties afterwards accommodated on direct loan. The object of the bank was to discard *il kuing*.

ANSWER TO QUESTION 10TH.

This bank never has.

ANSWER TO QUESTION 11TH.

This bank never has.

ANSWER TO QUESTION 12TH.

This bank never has. Applications have frequently been made for discounts by parties, who stated that paper other than our own notes would suit them. This board has uniformly acted on the paper offered, without reference to the sort of funds wanted, the proceeds of the notes or bills passing on the books of the bank to the credit of the parties, and subject to their unconditional check.

ANSWER TO QUESTION 13TH.

We have made this charge to cover the trouble, risk, and expense of transmission. It has not been done with a view to profit, but to accommodate the internal trade of the State. It is not desirable to the bank to take such bills, serving only, as it does, to increase balances due from the branches.

ANSWER TO QUESTION 14TH.

The bank has been regulated in her charges of discount on the south by the difference existing, at various times, between the value of our respective issues. Upon New Orleans, we have gradually lowered the rates of discount as the rates of exchange on the north and west from that point decreased, or as we had reasonable ground of belief that the banks of that city would resume specie payments at an early period.

ANSWER TO QUESTION 15TH.

In the distribution of the means of the bank, when the solvency of the parties was known, we have shown no preferences. When applications for loans are made by parties who live in distant parts of the State, who do, or should, make their loans at other banks or branches in the State, we give preference to those living in our own banking district, or to those who, by reason of distance from any other bank, necessarily apply to us.

ANSWER TO QUESTION 16TH.

We keep no account of the residence of borrowers; nor could we furnish the statement you ask for, except with a great deal of labor. Of the debtors to the bank on 1st December, there was due, as follows: From the citizens of Louisville, \$1,595,194 21. Of the county of Jefferson, \$94,619. Nelson, \$44,746. Henry, \$12,878. Oldham, \$9,540. Bullitt, \$12,888. Woodford, \$19,443. Scott, \$5,226. Hardin, \$10,649. Fayette, \$2,825. McCracken, \$15,934. Daviess, \$420. Hart, \$730. Green, \$1,183. Franklin, \$7,464. Trimble, \$2,190. Gallatin, \$1,370. Adair, \$1,500. Hen-

derson, \$6,715. Washington, \$12,776. Spencer, \$10,358. Mercer, \$4,568. Madison, \$1,500. Boone, \$1,536. Livingston, \$1,552. Shelby, \$35,319. Brackenridge, \$12,450. Meade, \$6,368. Warren, \$520. Marion, \$1,200. Out of the State, \$129,314.

ANSWER TO QUESTION 17TH.

We have omitted to fill a vacancy of one director in each of the branches of Maysville and of Greensburg, during a part of the present year. This has been done for the want of qualified stockholders.

ANSWER TO QUESTION 18TH.

This requisite has been regularly complied with.

ANSWER TO QUESTION 19TH.

This has been as carefully attended to as lawyers generally attend to their business.

Very respectfully,

W. H. POPE, *President*,
DAVID HERAN,
GEORGE KEATS,
WM. FELLOWES.

In answer to question 20th, we give you, herewith, tabular statements, giving you all the information sought for. These exclude four houses, on extended time. We also have prepared tables, attached hereto, exhibiting the balances, at the close of each month, due to the Bank of Kentucky from each of the branches, as well as the balances at the close of each month due from the Bank of Kentucky to each of the branches.

Very respectfully,

W. H. POPE, *President*,
DAVID HERAN,
WM. FELLOWES,
GEORGE KEATS.

To Messrs. J. GUTHRIE, and
D. TRIMBLE,
Committee.

Answer to the question—What aggregate amount have the president and directors owed as drawers and discounters of bills of exchange, at the close of each month?

	By president and directors.	Firms connected with president and directors.	Aggregate.
February 28	\$23,894 25	\$27,018 97	\$50,913 22
March 31	8,720 61	52,244 16	60,964 77
April 30	16,048 02	49,362 41	65,410 43
May 31	17,699 14	39,831 33	57,530 47
June 30	17,734 50	63,888 80	81,623 30
July 31	18,623 14	65,754 20	84,377 34
August 31	10,100 60	56,706 76	66,807 36
September 30	16,785 27	46,347 59	63,132 86
October 31	9,706 68	49,815 89	59,522 57
November 30	10,982 30	58,357 08	59,339 38

Answer to the question—What aggregate amount has an equal number of other largest customers of the bank at the close of each month, and what the amount of fifty others?

	Eleven others not directors or connected with them.	Fifty others.	Aggregate.
February 28	\$94,282 06	\$163,170 30	\$257,452 36
March 31	114,101 23	152,613 28	266,714 51
April 30	105,307 36	128,271 79	233,579 15
May 31	107,540 60	130,615 26	238,155 86
June 30	118,651 20	159,674 20	278,325 40
July 31	121,315 16	162,763 21	284,078 37
August 31	136,309 69	165,446 30	302,155 99
September 30	137,577 99	173,626 34	311,204 33
October 31	145,945 71	249,614 20	395,559 91
November 30	180,339 58	216,316 20	396,655 78

Answer to question—What has been the aggregate amount of discounts to the president and directors of the bank, at the close of each month?

	President and directors.	Firms connected with president and directors.
January - - - - -	\$62,700 00	\$144,090 00
February - - - - -	62,399 00	145,967 00
March - - - - -	61,987 00	147,692 00
April - - - - -	59,604 00	157,871 00
May - - - - -	58,876 00	123,876 00
June - - - - -	54,834 00	119,804 00
July - - - - -	58,171 00	118,223 00
August - - - - -	60,818 00	115,470 00
September - - - - -	54,468 00	117,293 00
October - - - - -	57,837 00	118,050 00
November - - - - -	49,098 00	
December - - - - -		

Answer to question—What has been the amount owing by an equal number of the other highest customers of the bank, of the discount line, at the close of each month?

January - - - - -	\$256,960 00	July - - - - -	\$240,920 00
February - - - - -	248,929 00	August - - - - -	249,399 00
March - - - - -	245,853 00	September - - - - -	229,861 00
April - - - - -	268,291 00	October - - - - -	254,709 00
May - - - - -	283,846 00	November - - - - -	260,705 00
June - - - - -	255,534 00	December - - - - -	

Answer to question—What aggregate amount was owing by fifty of the largest customers of the bank, on discounts, at the close of each month?

January - - - - -	\$434,333 00	July - - - - -	\$507,005 00
February - - - - -	537,273 00	August - - - - -	511,208 00
March - - - - -	509,264 00	September - - - - -	522,722 00
April - - - - -	503,157 00	October - - - - -	501,326 00
May - - - - -	497,736 00	November - - - - -	465,832 00
June - - - - -	497,637 00	December - - - - -	497,697 00

Answer to the question—What is the total number of debtors to the bank on the discount line? and class them from 100 to 500, from 500 to 1,000, from 1,000 to 5,000, from 5,000 to 10,000, and so on, rising 5,000 each time?

Number debtors.		
165 from	\$100 to	\$500
129 from	500 to	1,000
257 from	1,000 to	5,000
60 from	5,000 to	10,000
20 from	10,000 to	15,000
14 from	15,000 to	20,000
5 from	20,000 to	25,000
2 from	25,000 to	30,000
0 from	35,000 to	40,000
1 from	40,000 to	45,000
0 from	45,000 to	50,000
3 from	50,000 and upwards.	

Whole number of debtors 657.

Table showing the aggregate amount due to and from the Bank of Kentucky and branches, on the first day of each month, from the 1st of January, 1838, to 1st of December, 1838, as appears by the books of the principal bank.

Amount due to the Bank of Kentucky and branches.		Amount due from the Bank of Kentucky and branches.	
January 31, 1838 -	\$1,128,474 27	January 31, 1838 - Balance in favor of Bank of Kentucky	\$711,207 72 417,266 55
	1,128,474 27		1,128,474 27
February 28, 1838	1,252,989 10	February 28, 1838 Balance in favor of Bank of Kentucky	686,029 25 566,959 85
	1,252,989 10		1,252,989 10
March 31, 1838 -	1,075,712 46	March 31, 1838 - Balance in favor of Bank of Kentucky	797,919 72 277,792 74
	1,075,712 46		1,075,712 46

TABLE—Continued.

Amount due to the Bank of Kentucky and branches.		Amount due from the Bank of Kentucky and branches.	
April 30, 1838	\$927,598 69	April 30, 1838	\$693,997 93
		Balance in favor of Bank of Kentucky	233,600 76
	927,598 69		927,598 69
May 31, 1838	1,087,855 23	May 31, 1838	617,011 56
		Balance in favor of Bank of Kentucky	470,843 67
	1,087,855 23		1,087,855 23
June 30, 1838	1,078,084 94	June 30, 1838	436,930 26
		Balance in favor of Bank of Kentucky	641,154 68
	1,078,084 94		1,078,084 94
July 31, 1838	1,048,572 07	July 31, 1838	340,347 19
		Balance in favor of Bank of Kentucky	708,224 88
	1,048,572 07		1,048,572 07
August 31, 1838	1,009,839 81	August 31, 1838	334,954 96
		Balance in favor of Bank of Kentucky	674,884 85
	1,009,839 81		1,009,839 81
September 30, 1838	773,822 75	September 30, 1838	357,372 63
		Balance in favor of Bank of Kentucky	416,450 12
	773,822 75		773,822 75
October 31, 1838	855,468 77	October 31, 1838	605,977 21
		Balance in favor of Bank of Kentucky	249,491 56
	855,468 77		855,468 77

TABLE—Continued.

Amount due to the Bank of Kentucky and branches.		Amount due from the Bank of Kentucky and branches.	
November 30, 1838	\$656,021 37	November 30, 1838	\$550,656 15
		Balance in favor of Bank of Kentucky	105,365 22
	656,021 37		656,021 37

Statement showing the balances due by the branches of the Bank of Kentucky to the principal bank at Louisville, and by the principal bank to the branches, on the last day of each month, from January 1, 1838, to December 1, 1838, as appear by the books of the principal bank.

Balances due by branches to principal bank.		Balances due by principal bank to branches.	
January 31, 1838.		January 31, 1838.	
Due by—		Due to—	
Frankfort branch	\$122,837 69	Hopkinsville branch	\$3,631 02
Lexington do.	88,280 51	Balance in favor of principal bank	429,040 14
Maysville do.	60,728 75		
Greensburg do.	88,663 32		
Bowl'g Green do.	37,359 61		
Danville do.	34,801 28		
	432,671 16		432,671 16
February 28, 1838.		February 28, 1838.	
Due by—		Due to—	
Frankfort branch	87,999 78	Hopkinsville branch	13,205 86
Lexington do.	81,203 26	Balance in favor of principal bank	349,778 24
Maysville do.	59,249 70		
Greensburg do.	89,504 28		
Bowl'g Green do.	24,573 18		
Danville do.	20,453 90		
	362,984 10		362,984 10
March 31, 1838.		March 31, 1838.	
Due by—		Due to—	
Frankfort branch	149,486 61	Hopkinsville branch	8,904 75
Maysville do.	43,421 06	Lexington do.	43,769 10
Greensburg do.	90,284 06	Danville do.	24,303 22
Bowl'g Green do.	41,979 10	Balance in favor of principal bank	248,193 76
	325,170 83		325,170 83

STATEMENT—Continued.

Balances due by branches to principal bank.		Balances due by principal bank to branches.	
April 30, 1835.		April 30, 1835.	
Due by—		Due to—	
Frankfort branch -	\$159,035 87	Hopkinsville branch	\$8,398 57
Maysville do. -	32,330 72	Lexington do.	66,299 60
Greensburg do. -	62,329 46	Danville do.	31,543 69
Bowl'g Green do. -	39,997 28	Balance in favor of principal bank -	187,451 47
	293,693 33		293,693 33
May 31, 1835.		May 31, 1835.	
Due by—		Due to—	
Frankfort branch -	156,485 47	Hopkinsville branch	19,372 23
Maysville do. -	13,177 41	Lexington do.	71,415 25
Greensburg do. -	64,410 92	Danville do.	13,259 05
Bowl'g Green do. -	51,055 58	Balance in favor of principal bank -	181,079 84
	285,129 38		285,129 38
June 30, 1835.		June 30, 1835.	
Due by—		Due to—	
Frankfort branch -	101,789 85	Hopkinsville branch	16,559 92
Maysville do. -	14,260 57	Lexington do.	46,514 54
Greensburg do. -	62,226 43	Danville do.	27,121 12
Bowl'g Green do. -	28,398 87	Balance in favor of principal bank -	126,480 14
	216,675 72		216,675 72
July 31, 1835.		July 31, 1835.	
Due by—		Due to—	
Maysville branch -	48,229 25	Hopkinsville branch	3,732 53
Greensburg do. -	60,812 00	Lexington do.	39,644 40
Frankfort do. -	19,750 80	Danville do.	28,162 12
		Bowling Green do.	190 55
		Balance in favor of principal bank -	57,062 42
	128,792 05		128,792 05

STATEMENT—Continued.

Balances due by branches to principal bank.		Balances due by principal bank to branches.	
August 31, 1835.		August 31, 1835.	
Due by—		Due to—	
Maysville branch -	\$55,327 66	Lexington branch	\$50,770 73
Greensburg do. -	60,799 97	Danville do.	51,578 14
Frankfort do. -	15,503 61	Bowling Green do.	888 67
		Hopkinsville do.	6,473 14
		Balance in favor of principal bank -	21,920 56
	131,631 24		131,631 24
September 30, 1835.		September 30, 1835.	
Due by—		Due to—	
Maysville branch -	50,900 37	Lexington branch	11,846 22
Greensburg do. -	29,128 19	Danville do.	69,481 51
Bowl'g Green do. -	4,051 20	Hopkinsville do.	12,795 71
Frankfort do. -	15,806 08	Balance in favor of principal bank -	5,762 40
	99,885 84		99,885 84
October 31, 1835.		October 31, 1835.	
Due by—		Due to—	
Maysville branch -	35,306 27	Danville branch	46,097 39
Greensburg do. -	24,514 66	Hopkinsville do. -	12,420 06
Frankfort do. -	97,682 88	Balance in favor of principal bank -	134,598 72
Lexington do. -	29,395 15		
Bowl'g Green do. -	6,217 21		
	193,116 17		193,116 17
November 30, 1835.		November 30, 1835.	
Due by—		Due to—	
Maysville branch -	39,582 93	Bowl'g Green branch	39,117 41
Greensburg do. -	18,911 50	Hopkinsville do.	14,500 86
Frankfort do. -	108,058 01	Balance in favor of principal bank -	169,888 95
Lexington do. -	52,003 96		
Danville do. -	4,950 82		
	223,507 22		223,507 22

Frankfort Branch Bank of Kentucky.

BRANCH BANK OF KENTUCKY,
Frankfort, January 1, 1839.

The following answers are respectfully given to the interrogatories propounded to the officers of this branch by the joint committee of the Senate and House of Representatives:

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. We believe that the business of this branch has been transacted on good and safe securities.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. We know of no bad debts made at this bank since we have commenced operation; and nothing has been charged to account of profit and loss, as a loss, during the year.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. We know of no debt due this branch that we consider doubtful.

Question 4. If you have any deferred debts, have they been reduced in accordance with the terms upon which they were deferred?

Answer. We have but a few debts at this office that could be considered as deferred debts; and with only one exception, the terms upon which said debts were deferred have been complied with, and that one in part.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. We have never refused a loan at this office upon a note, that we know of, and then discounted a bill of exchange for the same parties, for the sake of exchange: on the contrary, we know that we have granted loans upon notes, where both notes and bills of exchange were tendered by the same parties, when we suspected they were what we call "race-horse bills."

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange with an understanding that the bills were not to be sent for collection, but were to be retained and paid at maturity?

Answer. No such agreement or understanding was ever made at this office.

Question 7. Has your branch discounted notes or bills with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. Never.

Question 8. Has your bank ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. We have never intentionally, nor do we know of any case where it has occurred. We always take our discounts agreeably to Rowlett's Table of Interest.

Question 9. Has your bank extended accommodations to citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. We have no recollection of the question being made at our board, upon giving discounts to our own citizens in preference to those of the adjacent counties, when notes or bills offered were considered equally good. We have frequently refused discounts to individuals living more convenient to other banks, because it has rarely occurred that we have not had greater applications for discounts, at the weekly meetings of the directors at this bank, than we could prudently accommodate; and we, therefore, have deemed it more prudent to confine our business to our own neighborhood, where we have a better opportunity of looking to the security of the loans.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer. The following exhibits the aggregate amount due this office on the discount line, from the citizens of the following counties, viz:

To the citizens of Frankfort	\$127,454 03
To the citizens of Franklin county	114,678 82
To the citizens of Fayette county	12,840 48
To the citizens of Scott county	54,317 28
To the citizens of Woodford county	62,682 29
To the citizens of Shelby county	58,610 30
To the citizens of Anderson county	10,984 00
To the citizens of Owen county	14,297 52
To the citizens of Spencer county	5,293 87
To the citizens of McCracken county	150 00
To the citizens of Jefferson county	6,100 00
To the citizens of Mason county	1,400 00
To the citizens of Mercer county	3,700 00
To the citizens of Boone county	1,315 47
To the citizens of Henry county	6,850 00
To the citizens of Hardin county	100 60
To the citizens of Harrison county	1,000 00
To the citizens of Gallatin county	1,700 00
To the citizens of Nelson county	400 00
To the citizens of Warren county	173 33

Total notes under discount 31st December, 1838 - \$484,047 39

Question 11. Has your branch regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. The cash account of the cashier of this bank has been examined three times during the year, and the cash counted, but not at regular intervals, in consequence of an oversight in not appointing committees for that purpose at the time specified; the bonds have been regularly submitted to the board, for their approval.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. The suspended debt due this office has had all proper attention by its officers.

Question 13. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required of the other debtors?

Answer. The president and directors have paid the same calls required of them, as other debtors to the bank.

A. S. PARKER,
LEANDER J. SHARP, } *Committee.*
EDMUND H. TAYLOR.

STATE OF KENTUCKY, *Franklin county, sct.*

This day personally appeared before the subscriber, a justice of the peace for the county aforesaid, A. S. Parker, L. J. Sharp, and Edmund H. Taylor, and severally made oath that the foregoing answers to the several interrogatories preceding them, are, to the best of their knowledge and belief, correct and true.

Given under my hand, this 9th day of January, 1839.

H. WINGATE, J. P.

Lexington Branch Bank of Kentucky.

Questions put to the Lexington branch of the Bank of Kentucky, on the 17th day of December, 1838, by the joint committee of the Senate and House of Representatives of the Commonwealth of Kentucky.

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. The business of the branch has been transacted on good and safe securities, with the exception of the amount mentioned in the answer to question 3.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. No debt made at this branch, since it went into operation, has been considered certainly lost, therefore none has been carried to the account of profit and loss; nor has any other sum been carried to the debit of that account, save the current expenses of the bank.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. The amount of debts due to the branch, considered doubtful, is \$6,052 79, about one-half of which will probably be lost.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms on which they were deferred?

Answer. There is but one deferred debt, and that has not reached maturity; its amount is only \$1,032.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. In no instance has the branch refused to loan to an individual on a note, and purchased of the same individual a bill of exchange, for the sake of the exchange over and above the interest; but there have been instances where the bank has refused to purchase bills of exchange, from the belief that such bills were what is commonly called "race-horse bills," and loaned to the same individuals money on their notes.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at the branch, at maturity?

Answer. There has been no such transaction at this branch.

Question 7. Has your branch discounted notes or bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. No note or bill has ever been discounted with such an understanding.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. This branch has always taken interest "in conformity with Rowlett's Tables of Discount and Interest."

Question 9. Has your branch extended accommodations to citizens of your town and county, in preference to the citizens of other counties, where the notes or bills offered from such other counties were equally good?

Answer. This branch has not.

Question 10. Can you state and exhibit the aggregate amount loaned to the citizens of your town and county, and the aggregate amount of loans to citizens of other counties to which you have made loans?

Answer. See table A, signed by the cashier.

Question 11. Has your branch regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. The president and directors have regularly counted the cash, and examined the bonds of the officers, as required by the charter.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. The suspended debt, as reported, consists of notes and bills of exchange in suit, which have, it is believed, received the faithful attention of the attorneys in whose hands they have been placed for collection. Notes past maturity have been permitted, in some instances, to lie over longer than they should; but it is not known that the strength of any such note has been weakened by not having suit instituted thereon more promptly.

Question 13. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required by other debtors?

Answer. They have.

Question 14. You will answer the resolution of the Legislature of 1836-'37, (see acts of that session,) and so far as the answer to that resolution may contain the answers to the foregoing questions, you can refer to it in your reply to the within questions.

Answer. The resolution of the Legislature of 1836-'37 directs:

1. That the committee shall examine the condition of the bank.
2. The amount of loans in the aggregate, and the proportion to the country, and cities and towns.
3. The amount loaned to the directors, and their liabilities on bills of exchange.
4. The several amounts the fifty highest debtors owe in the cities.

In reply to the first branch of this resolution, reference is made to statement marked B, signed by the cashier; to the second, reference is made to

table A, as the answer to question 10; to the third, that the amount loaned to the directors, individually, and in connexion with their partners in business, is \$30,991 48, and that the amount of their liabilities on bills of exchange is \$16,513 91; and, as to the fourth branch of the resolution, the amount loaned to the fifty highest debtors, in the city of Lexington, is \$166,390 17; and that there are not fifty debtors in any other city.

R. S. TODD, *President.*
 WM. M. BRAND, } *Directors.*
 WILL. H. RAMEY, }
 WILL. S. WALLER, *Cashier.*

TABLE A,

Showing the amount loaned to the citizens of Lexington, and Fayette county, and the amount to citizens of other counties, by the Lexington branch bank, December 1st, 1838.

To the city of Lexington -	\$209,909 60	Mercer -	\$3,488 71
County of Fayette -	69,773 31	Greenup -	3,949 25
Scott -	81,852 03	Mason -	3,550 00
Woodford -	42,239 03	Estill -	2,607 24
Bourbon -	30,463 85	Clay -	1,700 00
Jefferson -	24,401 50	Lincoln -	1,356 74
Jessamine -	22,481 46	Anderson -	1,370 79
Bath -	14,840 00	Pendleton -	850 00
Montgomery -	11,179 12	Barren -	700 00
Fleming -	5,175 00	Grant -	600 00
Franklin -	9,557 88	Boone -	500 00
Clarke -	9,540 70	Garrard -	450 00
Gallatin -	8,900 00	Wayne -	350 00
Madison -	7,530 14	Without the State -	7,486 47
Harrison -	5,745 94	Aggregate amount	\$587,698 76
Owen -	5,150 00		

WILL. S. WALLER, *Cashier.*

LEXINGTON BRANCH BANK, December 18, 1838.

B.

State of the Lexington Branch Bank, December 1st, 1838.

	CR.
Bills discounted	\$587,698 76
Bills of exchange	499,692 26
Suspended debt	16,029 87
Real estate	20,212 41
Expenses	3,041 06
Due from other banks	98,515 17
Cash on hand, viz:	
In notes of the principal bank and branches	\$17,550 00
Do. Northern Bank of Kentucky	1,927 79
Do. Bank of the United States	6,150 00
Do. banks of Ohio, &c.	12,280 00
Do. city of Lexington	633 27
Gold	28,922 13
Silver	85,797 16
	153,290 35
	<u>\$1,378,479 88</u>

	DR.
Principal bank, for stock	\$650,000 00
Do. account current	57,514 95
Notes in circulation	416,395 00
Premiums	23,215 90
Discounts	14,043 00
Dividends	206 35
Due to other banks	37,349 28
Due to individual depositors	179,755 40
	<u>\$1,378,479 88</u>

WILL. S. WALLER, *Cashier.*

LEXINGTON BRANCH BANK, December 18, 1838.

Maysville Branch Bank of Kentucky.

The questions put to the branches of the Bank of Kentucky by the committees of the Senate and House of Representatives, are respectfully responded to by the Maysville branch as follows, viz:

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer by the board of directors. The business of this branch has been transacted on good and safe securities.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer by the board of directors. The amount of bad debts is \$975; and the cashier replies to the second branch of the inquiry, "that no debt has been carried to account of profit and loss: the expenses of the branch alone have been carried semi-annually to that account."

Question 3. What amount of debts due your branch is considered doubtful?

Answer by the board of directors. Upon a review of the list of debts due this branch, the board of directors consider that the ultimate payment of \$2,900 may be deemed doubtful.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms upon which they were deferred?

Answer by the board of directors. We have no deferred debts.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer by the board of directors. In discounting notes and bills that have been offered to this branch, its directors have always been controlled by what they conceived to be the interest of the bank and its customers: but in no instance have they purchased bills of exchange for the purpose of exacting a higher rate of interest.

Question 6. Has your branch purchased bills of exchange and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at maturity?

Answer by the board of directors and cashier. Never.

Question 7. Has your board discounted notes and bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer by the board of directors. Never.

Question 8. Has your bank ever taken a greater rate of interest than one per cent. for every sixty days?

Answer by the cashier. It has not.

Question 9. Has your bank extended accommodations to citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer by the board of directors. In making loans, we have endeavored to disseminate our accommodations in proportion to the demands, paying due regard to the goodness of the paper and the contiguity of the applicants to other banks.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer by the board of directors. We can.

Question 11. Has your branch regularly counted the cash and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer by the board of directors. The cash has not been regularly counted, as required by the charter; it has been twice omitted through inadvertence. It was counted the end of the last quarter.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer by the board of directors. It has.

Question 13. Have your president and directors paid the regular calls on their debts, in the same manner, and at the same rate, as required of the other debtors?

Answer by the cashier. No specific calls have been made on the accommodation paper of the president and directors. Their business paper has been always paid at maturity. No *pro rata* calls have ever yet been made on the accommodations due this branch.

THE COMMONWEALTH OF KENTUCKY, }
Mason County, } ss.

A. M. January, Richard Henry Lee, and John M. Morton, made oath before me, a justice of the peace for said county, that the foregoing answers, as made by the board of directors of the Maysville branch of the Bank of Kentucky, are true, to the best of their knowledge. And Robert Taylor made oath that such of said answers as are made by the cashier are true, to the best of his knowledge.

Given under my hand this 5th day of January, 1839.

L. COLLINS, J. P.

MAYSVILLE BRANCH BANK KENTUCKY.

At a meeting of the board of directors, 19th December, 1838, it was—

Resolved, That the questions put by the committees of the Senate and House of Representatives to the branches of the Bank of Kentucky, be referred to a committee of the president, Messrs. Lee and Morton, and to the cashier.

And at a meeting of the board on the 1st day of January, 1839, Mr. Lee, from the committee, reported—

That the foregoing responses of the board and cashier, made separately to such of the questions as seemed to the committee proper to be answered separately by the board, and such as required a separate answer by the cashier.

Whereupon, the answers reported by the committee were approved of by the board.

Extract from the minutes:

ROBERT TAYLOR, Cashier.

Danville Branch Bank of Kentucky.

BRANCH OF THE BANK OF KENTUCKY,

Danville, January 1, 1839.

Answers to questions propounded to this branch by the joint committee of the Senate and House of Representatives of the Commonwealth of Kentucky.

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. It has.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. We have in this branch no bad debts; consequently, none such carried to the account of profit and loss.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. We regard none of the debts due this branch at all doubtful.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms upon which they were deferred?

Answer. We have in this branch only one deferred debt of \$160, which will no doubt be promptly met when due.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. This branch, under the belief of its directory that one of the main objects and purposes in its establishment at its present location was the extension of accommodations to the stock-drovers, to enable them to carry their stock to market, has, from the latter part of August last to the present time, given preference to bills of exchange drawn by drovers, when the proceeds of such bills, so far as could be learned, were intended for the transport of stock to market. This, furnishing us an additional means of obtaining eastern exchange, had also material weight in inducing this branch to give preference to bills of the above description; and it would be probably disingenuous to say that the prospect of greater gain had not some influence in determining this preference; but, during the balance of the year, when this branch was discounting regularly, no such preference has been ever given.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at maturity?

Answer. No.

Question 7. Has your branch discounted notes or bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. No.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. No.

Question 9. Has your branch extended accommodations to the citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. This branch has not extended accommodation to the citizens of either our town or county, in preference to the citizens of other counties, when advised that notes and bills offered for discount were each equally good; but it has been the studied effort of this branch to equalize bank accommodation and facility among the surrounding and neighboring counties, having due regard to the capital, commerce, and trade of the counties, and the goodness of the notes and bills offered for discount.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer. Debts due upon the discount line exclusively—

To the citizens of Danville	-	-	\$15,853
To the citizens of Mercer county	-	-	68,838
To the citizens of Lincoln county	-	-	42,367

To the citizens of Garrard county	-	-	\$23,884
To the citizens of Washington county	-	-	12,060
To the citizens of Pulaski county	-	-	5,840
To the citizens of Rockcastle county	-	-	2,372
To the citizens of Knox county	-	-	2,176
To the citizens of Casey county	-	-	1,210
To the citizens of Wayne county	-	-	1,296
To the citizens of Russell county	-	-	510

Question 11. Has your branch regularly counted the cash, and examined the bonds of the officers, as required by your charter? and, if you have not, say why it was omitted.

Answer. The cash of this branch has been regularly counted at the close of every month. The bond given by its only clerk is well secured.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. It has.

Question 13. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required of the other debtors?

Answer. Calls have not been made on the president and directory when their accommodation did not exceed \$1,000; but, in all cases, the discounts have been paid. Their average deposits have exceeded their aggregate debt.

J. BARBOUR, *President.*
T. MITCHELL, *Cashier.*
G. RICE, *Clerk.*

STATE OF KENTUCKY, *Mercer county, ss:*

This day personally appeared before me, M. S. Yarce, a justice of the peace in and for said county, James Barbour, Thomas Mitchell, and Gabriel Rice, and severally made oath that the foregoing answers to the several interrogatories preceding them are, to the best of their knowledge and belief, correct and true.

Given under my hand, in Danville, this 4th day of January, 1838.

M. S. YARCE, *J. P. M. C.*

Hopkinsville Branch Bank of Kentucky.

OFFICE BANK OF KENTUCKY,
Hopkinsville, January 1, 1839.

Answers to thirteen questions propounded to this branch bank, in relation to her business, from the 1st January, 1833, to this day, to wit:

Question 1. Has the business of your branch been transacted on good and safe security?

Answer. We think it has, in all cases.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. We are of opinion we have made no bad debts since we went into operation. There has been no debt carried to the account of profit and loss; and the only sums carried to said account have been discounts and exchanges accruing on notes and bills, and other exchanges, since we commenced operations.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. Upon strict examination, we are of opinion that no debt due us can be considered doubtful; in this matter, however, in the uncertainty of human events, we may be mistaken; but, at present, we have no good reason for thinking any doubtful.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms upon which they were deferred?

Answer. Strictly speaking, we have no deferred debt. There are some debts which were created in 1836, which have not been reduced as rapidly as our other debts, but they have been renewed, from time to time, on the promise of being paid when the debtors procured their funds from Mississippi and Alabama. We hope to be able to reduce these debts in a short time; they amount, in the aggregate, to some \$20,000, but due from several individuals—say some seven or eight.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. It has been the policy of this branch, in the fall and winter, to use the greater proportion of her funds in the purchase of bills of exchange, founded on the produce of the country; this being the season of the year when paper of this description is offered. This being known, it possibly induces some to make application by bill, that would otherwise prefer getting it on accommodation paper; but we know of only one or two instances, since 1st of January, 1838, where application has been made for loan, and it having been signified to the applicant that he could be more easily accommodated by selling a bill. In the cases referred to, the applicants were preparing to ship cotton, pork, and beef, and the inducement to treat all alike was greater than the profit accruing to the bank. We will further remark, that, when undoubted bills are offered, founded on real transactions, (and none others are bought here,) we generally give such paper the preference.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at maturity?

Answer. We have, in no instance, purchased bills in the manner stated in the sixth question, being strenuously scrupulous to avoid the purchase of kites or race-horse bills; and have refused all bills of that character, when believed to be such.

Question 7. Has your branch discounted notes and bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. We have not.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. Never.

Question 9. Has your branch extended accommodations to citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. We have not, in any instance; but in many instances, in the period named, granted loans to citizens of other counties, in preference to Christian county and Hopkinsville. Where a bank is located, it is almost impossible to prevent the citizens of the town and county getting a much larger portion of loans than citizens of other towns and counties, especially where the amount of capital is limited as ours is; but we have endeavored, as far as in our power, within the last year, to make a more equal distribution to the neighboring counties.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate loans to citizens of each of the other counties to which you have made loans?

Answer. There has been loaned to—

The town of Hopkinsville, on accommodation or discounts of notes	-	-	-	-	\$72,339 18
On bills of exchange	-	-	-	-	5,840 00
Christian county, on discount line	-	-	-	-	71,546 94
on bills of exchange	-	-	-	-	8,550 00
Trigg county, on discount line	-	-	-	-	36,424 83
on bills of exchange	-	-	-	-	3,450 00
Todd county, on discount line	-	-	-	-	27,662 80
Caldwell county, on discount line	-	-	-	-	21,450 00
on bills of exchange	-	-	-	-	10,500 00
Muhlenberg county, on discount line	-	-	-	-	13,370 00
Logan county, on discount line	-	-	-	-	12,504 00
Hopkins county, on discount line	-	-	-	-	12,464 00
on bills of exchange	-	-	-	-	75 00
Livingston county, on discount line	-	-	-	-	1,200 00
on bills of exchange	-	-	-	-	4,000 00
Graves county	-	-	-	-	102 00
Montgomery county, Tennessee, discount line	-	-	-	-	3,899 00
bills of exchange	-	-	-	-	5,300 00

NOTE.—The foregoing may not be correct to one dollar, but is so near correct that it will show the manner in which the funds have been distributed.

Question 11. Has your branch regularly counted the cash and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. The cash has been regularly counted, as required by the charter, and the bonds of the officers examined.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. It has.

Question 13. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required by other debtors?

Answer. A portion of our members owe no debt to the bank; of those indebted, the most of them have paid calls, as other debtors. There has been some departure, at times, with one or two members of the board; and, as it

relates to one member, an entire failure to pay; he pledges himself to pay in future, alleging that he was not apprized of its being required, he being a new member.

REUBEN ROWLAND, *Cashier.*
 JOHN H. PHELPS, *President.*
 STRO. J. HAWKINS, }
 THOS. MOORE, } *Directors.*
 A. WEBBER, }
 F. C. SHARP, }

STATE OF KENTUCKY, *Christian county, set:*

This day, Reuben Rowland, cashier, John H. Phelps, president, Stro. J. Hawkins, Thomas Moore, A. Webber, and F. C. Sharp, directors of the Hopkinsville branch bank, came personally before the subscriber, a justice of the peace for said county, and made oath that the answers made to sundry interrogatories propounded by the Committee on Banks of the Senate and House of Representatives of the Legislature of Kentucky, now in session, and hereto annexed, are true, to the best of their knowledge and belief.

Given under my hand this 2d day of January, 1839.

D. S. HAYS, *J. P.*

Greensburg Branch Bank of Kentucky.

The undersigned, president, directors, and cashier of the Greensburg branch of the Bank of Kentucky, submit the annexed answers to the following questions:

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. It has.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. There are no debts known to be bad; consequently, no item of that character carried to the account of profit and loss. The items constituting that account are—

The amount of discount, which, for the year 1838, is -	\$9,564 34
Amount of premiums on exchange, for the same time -	2,903 59
Deducting the expenses for the same time, which are -	2,273 39

Question 3. What amount of debts due your branch is considered doubtful?

Answer. Not exceeding \$4,000.

Question 4. If you had any deferred debts, have they been reduced, in accordance with the terms upon which they were deferred?

Answer. There is but a small amount of deferred debt, which has been partially reduced, but not to the full extent.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. It has not; bills of exchange, however, to some extent, have often been preferred.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained, and paid at maturity?

Answer. It has not, in any instance; nor has such a proposition ever been made.

Question 7. Has your branch discounted notes or bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. It has not.

Question 8. Has your bank extended accommodations to citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. It has not.

Question 9. Has your bank ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. Interest has been taken agreeably to Rowlett's Calculator, which is only considered as one per cent. for sixty days.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer. The following may be regarded as very nearly correct, to wit: To citizens of Greensburg, \$36,626 43; Campbellsville, \$2,750; Green county, \$30,676 20; Hart, \$16,536 05; Adair, \$15,952 50; Cumberland, \$4,240; Barren, \$12,446 89; Marion, \$10,100; Hardin, \$7,510; Casey, \$6,000; Russell, \$200; Pulaski, \$3,736; Wayne, \$600; Knox, \$2,013 11; Meade, \$500; Franklin, \$470; Monroe, \$75; Muhlenberg, \$600; Jefferson, \$1,878 29; Daviess, \$2,476 13; and in the State of Illinois \$700, and Missouri \$190.

Question 11. Has your branch regularly counted the cash and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. The bonds of the officers have been regularly examined, and the cash has been counted about three times within the year—twice since June last.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. That situated in the most remote counties has not been as promptly attended to by the lawyers as was desirable.

Question 13. Have your president and directors paid the regular calls on their debts, in the same manner, and at the same rate, as required of the other debtors?

Answer. There are only four of the directors who are debtors, and they have paid the same rate of calls as required of other debtors.

JOHN BARRET, *President.*

J. BRUMMAL, } *Directors.*

R. L. MOORE, }

WM. D. BARRET, *Cashier.*

GREENSBURG BRANCH BANK,

January 1, 1839.

THE STATE OF KENTUCKY, *Green county, ss :*

I, William B. Allen, a justice of the peace in and for said county, and State aforesaid, hereby certify that the subscribers to the foregoing report personally appeared before me, and made oath that said report, or answers to the interrogatories therein set forth, are just and true, to the best of their knowledge and belief.

Given under my hand this 1st day of January, 1839.

WM. B. ALLEN, *J. P. G. C.*

Bowling Green Branch of the Bank of Kentucky.

Answers of the Bowling Green branch of the Bank of Kentucky to questions propounded by the chairman of the bank committees of the Senate and House of Representatives.

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. It has, in all cases.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. Upon strict examination of all the debts discounted at this branch, not the least doubt is entertained of the perfect security of each and all of them. There has never been the first cent charged to profit and loss on account of bad or lost debts. The items embraced in that account, are, current expenses of the branch, and \$113 22 paid this year (1838) for interest, at 12 per cent., under the 5th section of the charter.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. None.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms on which they were deferred?

Answer. There is but one debt of this character, which is regularly renewed, and 10 per cent. calls paid.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. It is usual to give bills of exchange the preference, as the business of the branch can be kept in a more healthy state by so doing; but in no case has the branch refused to discount a note, and taken a bill of the same person, purely for the sake of the exchange.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at the branch, at maturity?

Answer. No operation of this character has ever been made with this branch.

Question 7. Has your branch discounted notes or bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. No.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. It has not.

Question 9. Has your branch extended accommodations to citizens of your town and county, in preference to the citizens of other counties, where the notes or bills offered from such other counties were equally good?

Answer. When paper known to be good has been offered to this branch from the adjoining counties, it has always had an equal chance with that offered by the citizens of Bowling Green, or Warren county, and no preference has been given.

Question 10. Can you state and exhibit the aggregate amount loaned to the citizens of your town and county, and the aggregate amount of loans to citizens of other counties to which you have made loans?

Answer. The aggregate required is as follows:

Bowling Green	-	-	-	-	\$76,313 20
Bowling Green and Warren county	-	-	-	-	6,674 33
Warren county	-	-	-	-	56,747 97
Barren	-	-	-	-	3,164 00
Edmonson	-	-	-	-	6,709 79
Hart	-	-	-	-	2,548 00
Logan	-	-	-	-	16,484 43
Christian	-	-	-	-	1,372 00
Simpson	-	-	-	-	5,945 92
Muhlenberg	-	-	-	-	4,733 00
Allen	-	-	-	-	7,577 53
Todd	-	-	-	-	2,496 00
Butler	-	-	-	-	1,157 00
Ohio	-	-	-	-	1,440 00
Hardin	-	-	-	-	306 00
State of Mississippi	-	-	-	-	891 00
Tennessee	-	-	-	-	1,232 00
Illinois	-	-	-	-	328 00

Note.—The debts in the State of Mississippi, Tennessee, and Illinois, are secured by endorsers in this county.

Question 11. Has your branch regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. The bond has received the attention required by the charter, and cash counted regularly, excepting one month only; then the cashier was absent and sick. Due attention has since been given by the board of directors.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. It has.

Question 13. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required of the other debtors?

Answer. In one instance a loan was made, under peculiar circumstances, in which a member of the board is interested, and no call required

for a limited time ; except this, the president and directors, in all cases, have paid their calls regularly, and at the same rates as other debtors.

RICHARD CURD, *Cashier.*
 JAS. T. DONALDSON, } *Commit-*
 THOS. QUIGLEY, } *tee of Di-*
 GEO. W. HOWARTH, } *rectors.*

STATE OF KENTUCKY, *Warren county, sct :*

This day, Richard Curd, Jas. T. Donaldson, Thos. Quigley, and Geo. W. Howarth, personally appeared before me, a justice of the peace for the county aforesaid, and made oath that the foregoing statements are true.

Given under my hand, this 2d day of January, 1839.

P. DONALDSON, *J. P.*

STATEMENT

SHOWING

THE RESOURCES AND LIABILITIES

OF

THE BANK OF KENTUCKY AND BRANCHES,

DURING THE YEAR 1838.

A statement, showing the resources and liabilities of the Bank of Kentucky and branches, each month, from the 1st day of January, to the 31st day of December, 1838, inclusive.

RESOURCES.

1838.	Bills dis- counted.	Bills of exchange.	Suspended debt.	Real estate.	Expenses.	Due by other banks.	Specie on hand.	Notes of other banks.	State and city bonds.
January	\$4,805,270 02	\$1,150,354 67	\$99,780 38	\$55,172 78	\$5,724 14	\$1,138,474 27	\$751,126 00	\$513,654 86	\$1,540,000 00
February	4,817,143 67	1,037,638 30	100,096 15	55,172 78	8,957 41	1,252,969 10	752,810 55	556,362 17	1,540,000 00
March	4,898,833 48	911,463 73	64,895 97	55,311 74	14,534 75	1,075,713 46	752,437 32	336,213 53	1,540,000 00
April	4,907,248 02	892,851 18	66,296 31	55,311 74	17,426 37	1,075,598 69	772,801 66	456,253 48	1,540,000 00
May	4,890,067 31	806,713 97	61,385 50	55,311 74	20,139 06	1,078,081 91	800,295 38	443,239 35	1,675,000 00
June	4,813,013 78	809,759 91	65,637 00	55,311 74	3,294 35	1,018,573 07	858,815 23	213,424 56	1,675,000 00
July	4,715,859 63	861,729 43	66,717 00	55,311 74	5,996 63	1,009,839 81	792,189 05	418,476 85	1,675,000 00
August	4,646,796 86	1,037,227 55	65,758 45	55,311 74	10,639 04	773,829 75	761,172 32	263,179 85	1,675,000 00
September	4,650,303 66	1,287,122 16	131,876 00	55,311 74	10,639 04	773,829 75	761,172 32	257,909 67	1,675,000 00
October	4,655,513 03	1,569,733 23	62,587 67	55,311 74	13,610 63	855,468 77	736,512 07	413,712 31	1,675,000 00
November	4,667,110 70	1,785,168 19	61,745 16	55,311 74	17,412 65	656,021 37	679,275 75	395,544 07	1,675,000 00
December						731,765 83	612,775 36	317,686 51	1,675,000 00
1838.	Bank checks unpaud.	Treasurer of the State.	Interest ac- count.	City of Louis- ville.	Certificate of deposite, Vicksburg.	Costs of suit.	Interest paid Bank United States.	Suspense ac- count.	Total.
January	\$154,435 52	-	-	-	-	-	-	-	\$10,203,393 24
February	3,819 10	-	-	-	-	-	-	-	10,125,049 32
March	40,219 28	\$1,118 15	\$20,625 00	-	-	-	-	-	9,724,365 46
April	50,219 28	4,117 85	20,625 00	-	-	-	-	-	9,699,952 68
May	30,029 08	-	20,625 00	-	-	-	-	-	9,899,671 62
June	36,139 98	-	25,000 00	\$5,664 32	-	-	-	-	9,635,335 46
July	13,980 98	-	-	-	-	-	-	-	9,604,438 18
August	12,639 98	-	-	-	-	-	-	-	9,441,338 31
September	-	-	-	-	-	\$7 75	\$13,730 00	\$756 59	9,903,635 67
October	13,423 85	-	13,863 22	-	-	-	13,730 00	1,069 79	9,789,364 66
November	13,222 85	451 43	31,000 00	-	-	-	-	1,069 79	9,872,360 14
December	-	-	-	-	-	111 34	-	-	-

LIABILITIES.

1838.	Capital stock.	Notes in circula- tion.	Individual de- posites.	Due to other banks.	Due to Treas- urer of State.	Due to Treas- urer of U. States.	Due commis- sioners sink- ing fund.	Due treasurer internal im- provement.	Conting' fund, and profit and loss.
January	\$1,637,758 36	\$2,468,870 00	\$587,930 67	\$711,207 72	\$58,076 30	\$529,830 44	\$55,129 54	\$115,784 87	\$130,558 79
February	4,638,716 60	2,519,350 00	618,387 79	686,029 25	33,122 80	529,830 44	73,044 62	9,153 01	130,558 79
March	4,638,708 60	2,362,195 00	594,487 83	797,919 72	22,615 86	529,830 44	1,396 85	-	130,558 79
April	4,638,958 60	2,299,922 00	608,092 36	683,997 93	14,987 44	484,828 44	23,295 41	8,631 26	130,558 79
May	4,639,108 60	2,175,933 00	615,811 50	617,911 56	129,455 03	529,830 44	7,191 66	1,551 26	104,000 00
June	4,642,608 60	2,639,206 00	638,920 55	435,930 26	29,991 77	366,987 14	40,789 20	2,387 76	115,519 45
July	4,643,158 60	2,571,532 00	606,210 89	310,317 19	27,431 04	530,987 14	40,993 20	140,913 18	115,519 45
August	4,643,458 60	2,396,498 00	694,092 31	334,354 96	19,642 66	380,170 08	65,836 21	201,877 03	115,519 45
September	4,671,895 00	2,478,815 00	673,456 65	357,372 21	2,971 48	29,663 34	30,838 81	284,114 82	115,519 45
October	4,671,895 00	2,704,810 00	633,845 45	550,656 15	4,593 03	27,263 34	42,838 84	179,830 69	115,519 45
November	4,679,401 00	2,781,813 00	695,450 83	618,135 78	69,598 28	27,263 34	9,805 22	245,744 81	100,000 00
December									
1838.	Discounts and premiums.	Rank of the U. States.	Board of edu- cation.	Dividends unclaimed.	On account of District court, U. States.	James Clark, Governor.	Costs of suit.	Real estate fund.	Total.
January	\$26,946 42	\$825,000 00	-	\$25,910 13	-	-	-	-	\$10,203,393 24
February	61,973 96	825,000 00	-	-	-	-	-	-	10,125,049 32
March	96,032 37	550,000 00	\$2,817 77	-	-	-	-	-	9,724,365 46
April	124,140 59	550,000 00	22,597 77	-	-	-	-	-	9,699,952 68
May	150,569 01	550,000 00	22,597 77	-	-	-	-	-	9,899,671 62
June	179,110 99	550,000 00	22,597 77	64,228 78	-	-	-	-	9,635,335 46
July	24,469 02	550,000 00	22,925 02	62,411 88	-	-	-	-	9,604,438 18
August	62,318 29	550,000 00	22,125 02	61,476 45	-	-	-	-	9,441,338 31
September	98,299 03	550,000 00	22,125 02	60,808 95	\$3,181 23	-	-	-	9,333,186 26
October	136,477 81	550,000 00	21,975 02	12,918 45	4,131 53	-	-	-	9,903,635 67
November	171,064 46	550,000 00	21,975 02	12,918 45	\$2,220 00	\$100,000 00	\$34 78	-	9,789,364 66
December	230,614 87	275,000 00	21,945 02	12,865 95	2,220 00	100,000 00	-	\$2,500 00	9,872,360 14

BANK OF KENTUCKY,
Louisville, December 28, 1838.

GENTLEMEN: In order to give you full and accurate information upon the subject of inquiries required to be made by resolutions of the House of Representatives, we hand you, herewith, a tabular statement of the amount due the Treasurer of the United States from the Bank of Kentucky, at the close of each month, from 31st October, 1836, to 30th November, 1838. It does not extend as far back as required by the resolutions, the first deposit having been made in October, 1836.

We also annex a statement exhibiting the respective periods at which the Government deposits were made, and in what manner. These payments were made to the Bank of Kentucky at her own counter; of which a small portion was in specie, and the remainder in her own notes, or in such notes as she was willing to receive on general deposit.

We also annex a statement exhibiting the periods at which payments were made to the Treasurer of the United States, and to what parties. These were made in part at the counter of the bank, in specie, in her own notes, or in such notes as would best suit the holders of the warrants. A large part, it will be seen, was paid to the State of Kentucky, by increasing the stock of the State in the capital stock of the bank; a part was also paid at Richmond, Virginia; and the remainder in Treasury notes, and in checks on eastern banks. This bank has, since its creation, in the regular transaction of business, discounted, for merchants and traders, notes of hand or bills of exchange on various parts of the United States, arising from the exports of the State. Of commission on the transfer of funds by the bank from point to point, the means were derived from the sellers of bills of exchange. A portion of the means by which this bank met the debt due the Treasurer of the United States was derived by a purchase of eastern funds from the Governor of the State, arising from sales of bonds for internal improvement.

By reference to the business of the Bank of Kentucky prior to 15th May, 1837, and subsequent to the receipt of the public deposits, it will be seen that it was at no time materially increased or diminished. Its managers, not knowing how long the public money would remain on deposit, could not bank on it to any great extent; and the Legislature must judge whether the amount of business was ever too high. Any discount of notes or bills was made without reference to the public deposits.

Very respectfully,

W. H. POPE, *President.*
DAVID HERAN,
WM. FELLOWES,
GEO. KEATS.

Messrs. GUTHRIE and TRIMBLE, *Committee.*

The following statement exhibits the balances due to the Treasurer of the United States, from the 5th of October, 1836, when the first deposit was made, to 1838.

1836.					
October 31,	By balance	-	-	-	\$204,900 00
November 30,	do.	-	-	-	254,900 00
December 31,	do.	-	-	-	454,970 12

1837.

January 31,	By balance	-	-	-	\$397,050 99
February 28,	do.	-	-	-	837,796 74
March 31,	do.	-	-	-	929,677 61
April 30,	do.	-	-	-	929,457 61
May 31,	do.	-	-	-	897,378 32
June 30,	do.	-	-	-	662,612 17
July 31,	do.	-	-	-	701,112 17
August 31,	do.	-	-	-	676,710 91
September 30,	do.	-	-	-	626,525 03
October 30,	do.	-	-	-	594,658 51
November 30,	do.	-	-	-	555,980 55
December 31,	do.	-	-	-	536,459 78

1838.

January 31,	do.	-	-	-	529,820 44
February 28,	do.	-	-	-	529,820 44
March 31,	do.	-	-	-	529,820 44
April 30,	do.	-	-	-	529,820 44
May 31,	do.	-	-	-	513,820 44
June 30,	do.	-	-	-	530,987 14
July 31,	do.	-	-	-	380,170 08
August 31,	do.	-	-	-	29,663 34
September 30,	do.	-	-	-	29,663 34
October 31,	do.	-	-	-	27,263 34
November 30,	do.	-	-	-	

The following statement exhibits the respective periods at which the Government deposits were made, and in what manner.

1836.

October 5,	Deposited by T. A. Howard, district attorney for Indiana	-	-	\$4,900 00
21,	Deposited by transfer draft on branch of Northern Bank at Louisville	-	-	100,000 00
27,	Deposited by transfer draft on branch of Northern Bank at Louisville	-	-	100,000 00
Nov. 19,	Deposited by transfer warrant on State Bank of Indiana at Richmond	-	-	50,000 00
Dec. 15,	Deposited by transfer warrant on State Bank of Indiana at Indianapolis	-	-	100,000 00
17,	Deposited by E. S. Camp, surveyor of the port of Louisville	-	-	70 12
21,	Deposited by transfer warrant on branch of Northern Bank at Louisville	-	-	100,000 00

1837.

January 5,	Deposited by transfer warrant on branch of Northern Bank at Louisville	-	-	100,000 00
February 3,	Deposited by transfer warrant on State Bank of Indiana at Madison	-	-	100,000 00

1837.			
February	3,	Deposited by transfer draft on Louisville Savings Institution	\$20,000 00
		Deposited by transfer draft on same	20,000 00
	7,	Deposited by E. S. Camp, surveyor of the port of Louisville	745 75
	10,	Deposited by transfer draft on branch of Northern Bank at Louisville	100,000 00
	15,	Deposited by transfer draft on Commercial Bank of Cincinnati	50,000 00
		Deposited by transfer draft on same	50,000 00
		Do. do. do.	50,000 00
		Do. do. do.	50,000 00
March	1,	Deposited by transfer draft on branch of Northern Bank at Louisville	100,000 00
	15,	Deposited by transfer draft on State Bank of Indiana at New Albany	100,000 00
	16,	Deposited by transfer draft on branch of Northern Bank at Louisville	50,000 00
April	13,	Deposited by transfer draft on branch of Northern Bank at Louisville	100,000 00
	15,	Deposited by transfer draft on State Bank of Indiana at Lawrenceburg	100,000 00
May	11,	Deposited by D. Thomas, receiver of public moneys at Helena	1,740 71
June	8,	Deposited by E. S. Camp, surveyor of the port of Louisville	2,301 14
	28,	Deposited by transfer draft on Commercial Bank of Cincinnati	100,000 00
July	29,	Deposited by transfer warrant on same	100,000 00
August	29,	Do. do. do.	100,000 00
Sept.	22,	Deposited by E. S. Camp, surveyor of the port of Louisville	1,651 12
1838.			
June	30,	By interest on public deposits, from December 19, 1837, to July 1, 1838	17,166 70
			<u>\$1,768,605 54</u>
Whole amount of deposits by Government			\$1,768,605 54
Amount of payments			1,741,342 20
Balance due the Treasury of the United States			<u>27,263 34</u>

RECAPITULATION OF DEPOSITES.

By transfer of drafts on Northern Bank at Louisville	\$750,000 00
On State Bank of Indiana	450,000 00
On Commercial Bank of Cincinnati	500,000 00
From district attorney	4,900 00
Surveyor of port of Louisville	4,795 13

Receiver at Helena	\$1,740 71
Amount per interest	17,166 70
Louisville Savings Institution	40,000 00
	<u>1,768,605 54</u>

The following statement exhibits the periods at which payments were made to the Government, and upon what authority.

1837.			
January	28,	Paid on Treasury draft, in favor of the State of Kentucky	\$157,919 13
March	31,	Paid on Treasury drafts to the State of Kentucky	157,919 13
		Paid to G. W. Andrews, captain of 6th infantry	200 00
			20 00
April	7,	Paid to Alexander Moore, on Treasury drafts	200 00
	14,	Paid Captain L. Ford, on Treasury draft	
	20,	Paid to Planters' Bank of Tennessee, on Treasury draft	100,000 00
		Paid to the same, on Treasury draft	100,000 00
		Paid to Captain Jacob Brown, agent of Indian Department, on Treasury draft	21,320 00
May	17,	Paid Captain W. McKnight, agent of Engineer Department, on Treasury warrant	12,500 00
	31,	Paid Elias Rector, marshal of district of Arkansas, on Treasury draft	1,000 00
June	9,	Paid to same, on Treasury draft	1,000 00
		Do. do. do.	1,000 00
			148 16
	13,	Paid L. Parks & Co., on Treasury draft	11,000 00
	19,	Paid H. M. Shreve, on Treasury draft	12,000 00
		Paid to same, on Treasury draft	277,919 13
	20,	Paid on Treasury draft, to State of Kentucky	
	27,	Paid on Treasury draft, to Treasurer of the State of Arkansas	33,000 00
July	10,	Paid on Treasury draft, to Governor, Comptroller, and Treasurer of Tennessee	37,500 00
			14,000 00
	17,	Paid H. M. Shreve, on Treasury draft	10,000 00
	19,	Paid Capt. J. G. Taylor, on Treasury draft	100,000 00
August	3,	Paid to Bank of Virginia, on Treasury draft	6,000 00
		Paid A. J. Phillips, on Treasury draft	2,500 00
	21,	Paid H. M. Shreve, on Treasury draft	10,000 00
		Paid same, on Treasury draft	3,000 00
	22,	Paid A. J. Phillips, on Treasury warrants	2,901 26
	25,	Paid H. M. Shreve, on Treasury draft	500 00
Septem.	1,	Paid A. J. Phillips, on Treasury draft	13,000 00
	4,	Paid Capt. J. P. Taylor, on Treasury draft	887 00
	6,	Paid John J. Green, on Treasury draft	10,000 00
	7,	Paid W. Carter, on Treasury draft	5,000 00
	8,	Paid Benedict & Carter, on Treasury draft	4,250 00
	15,	Paid W. McKnight, on Treasury draft	

1837.			
Septem. 27,	Paid H. M. Shreve, on Treasury draft	-	\$18,030 06
	Paid Captain St. Clair Denny, on Treasury draft	-	200 00
October 2,	Paid Taylor & Kerney, on Treasury draft	-	20 00
	Paid R. B. McAfee, on Treasury draft	-	1,471 52
14,	Paid A. A. Massias, on Treasury draft	-	30,000 00
21,	Paid T. B. Monroe, on Treasury draft	-	375 00
Nov. 4,	Paid Lewis Sanders, on Treasury draft	-	50 00
10,	Paid F. Taylor, on Treasury draft	-	23,000 00
17,	Paid J. M. McCalla, on Treasury draft	-	50 00
22,	Paid W. Noland, on Treasury draft	-	4,627 96
27,	Paid F. Taylor, on Treasury draft	-	10,950 00
Dec. 4,	Paid H. M. Shreve, on Treasury draft	-	15,695 77
18,	Paid H. M. Thompson, on Treasury draft	-	3,825 00
1838.			
January 8,	Paid L. Parks & Co., on Treasury draft	-	42 30
22,	Paid D. S. Niles, on Treasury draft	-	2,607 64
	Paid A. M. Thompson, on Treasury draft	-	1,990 00
	Paid E. Rector, on Treasury draft	-	2,000 00
June 5,	Paid Treasurer of U. States, by check of Bk. of Kentucky on Union Bank of New York	-	16,000 00
August 7,	Paid Treasurer of U. States, in Treasury notes	-	100,000 00
	Interest on the same	-	1,508 50
10,	Paid S. T. Cross, on Treasury draft	-	815 00
20,	Paid Captain J. Brown, on Treasury draft	-	30,000 00
	Paid same, on same	-	19,000 00
Sept. 3,	Paid Treasurer of United States, by check of Bank of Kentucky on Bank of U. States	-	300,000 00
	Paid Treasurer of U. States, by check of Bank of Kentucky on Bank of Virginia	-	50,000 00
Nov. 23,	Paid W. H. Bills, on Treasury draft	-	2,400 00
			<u>1,741,342 20</u>

RECAPITULATION OF PAYMENTS.

On Treasury drafts, to the State of Kentucky	-	\$593,757 39
On Treasury drafts, to sundry individuals	-	781,584 81
By checks of Bank of Kentucky, on Bank of United States, Bank of Virginia, and Union Bank of New York	-	366,000 00
		<u>1,741,342 20</u>

Northern Bank of Kentucky.

Questions propounded to the Northern Bank of Kentucky, at Lexington, by the Joint Committee on Banks, and the answers of a committee of the board of directors of said bank.

Question 1. Have the branches of the Northern Bank of Kentucky complied with the second and third sections of the act approved the 16th Feb-

ruary, 1838, entitled "An act dispensing with quarterly, and substituting monthly statements, and providing for monthly balance-sheets to be lodged with the Secretary of State?" and has the Northern Bank of Kentucky complied with said sections?

Answer. Those sections of the act referred to have been complied with by the principal bank and branches.

Question 2. Will the reports of the Northern Bank of Kentucky to the Secretary of State exhibit the true condition of the bank and branches at the close of each month, from the 1st of January, 1838, to 1st January, 1839? and if they will not, then exhibit such a statement as a part of the answer to this question.

Answer. In our opinion, they do.

Question 3. Has the business of the Northern Bank of Kentucky been transacted on good and safe securities?

Answer. We think it has.

Question 4. What amount of bad debts have you made since your bank went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. We have no debt so bad as to have been yet carried to the account of profit and loss. Besides the usual expenses and charges carried to the account of profit and loss, that account has been charged with \$2,831 28, being 12 per cent. damages paid on demand for gold and silver during the suspension.

Question 5. What amount of debts due your bank is considered doubtful?

Answer. The amount which may be considered as doubtful is very inconsiderable; the precise sum not easily ascertained.

Question 6. Have the deferred debts in the Northern Bank of Kentucky been reduced, in accordance with the terms on which they were deferred?

Answer. They have.

Question 7. Has that part of the capital employed in exchange yielded a greater profit than the part employed in direct loans; and if it has yielded a greater profit, say how much, or what per cent.; and if not, then say why it has been employed in exchange?

Answer. In general, that portion of the capital employed in exchange has been more profitable than that employed in direct loans; but the difference in profit, it is difficult, if not impossible, to calculate. In dealing in exchange, the bank incurs risk, and the profit is always uncertain. The great inducements to deal in exchange have been to afford facilities to the exporters of live stock and other produce of the country; to accommodate the merchants with eastern or other funds; to replenish the vaults with specie; and to keep out the circulation of foreign paper.

Question 8. Is there greater punctuality in paying bills of exchange, than in paying notes discounted?

Answer. There is greater promptness in paying bills of exchange than in paying notes, because bills are generally drawn on property sent to market or funds in the hands of the acceptors. Notes are often discounted for accommodation merely.

Question 9. Has the bank, when applied to for loans of money, ever refused it by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. For the reasons stated in the answer to the 7th question, the bank considers it proper, both for the interest of the stockholders and community, to appropriate a certain portion of its capital to purposes of exchange; and it has frequently happened that, when the discount line was full, the bank has declined discounting notes, while it was purchasing bills of exchange.

Question 10. Has the bank purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but to be retained, and paid at the bank at maturity?

Answer. In no instance.

Question 11. Has the bank ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. Never.

Question 12. Has the bank discounted notes, or bills, with an understanding that the amount was to be taken in notes of less value than the notes of the bank?

Answer. In no instance has the bank dealt in depreciated bank paper; whenever the bank has received, or paid out, the notes of other banks than their own, it has received and paid them at par.

Question 13. Why does your bank charge one half of one per cent. exchange between different places in your own State?

Answer. The experience of the bank shows that $1\frac{1}{2}$ per cent. on domestic bills is not more than a fair charge for the risk and expenses of transacting the exchanges in our own State—the bank furnishing checks on its branches at par.

Question 14. Why has your bank charged so high a rate of exchange on New Orleans and other places in the south?

Answer. During the suspension of specie payments in the south, this bank had to charge on bills of exchange a rate sufficient to reimburse it, either in specie or eastern funds. By a comparison of the rates of specie, or eastern funds, in New Orleans and other places in the south, at the period at which bills were purchased, it will be found that not more than a fair rate has been charged for that end.

Question 15. Has your bank extended accommodations to the citizens of your city and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. We believe the bank has dealt fairly in the distribution of its loans, as will be seen by answer to question No. 16.

Question 16. Can you state and exhibit the aggregate amount loaned to citizens of Lexington and Fayette, and the aggregate amount to citizens of other counties, separately? and if so, give the statement.

<i>Answer—</i>			
To Lexington	- \$246,196 31	To Lincoln	- \$3,930 00
To Fayette county	- 133,518 00	To Garrard	- 6,119 00
To Bourbon	- 49,385 00	To Gallatin	- 3,300 00
To Woodford	- 34,136 00	To Franklin	- 3,676 00
To Clarke	- 38,733 00	To Floyd	- 300 00
To Scott	- 103,903 00	To Shelby	- 1,200 00
To Mercer	- 15,389 00	To Fleming	- 8,435 00
To Jessamine	- 24,073 00	To Henry	- 900 00
To Montgomery	- 7,554 00	To Louisville	- 22,577 00
To Bath	- 12,012 00	To Harrison	- 10,784 00

To Nicholas	- \$6,211 00	To Whitley	- \$1,100 00
To Nelson	- 1,250 00	To Estill	- 9,505 00
To Mason	- 3,050 00	To Warren	- 600 00
To Boone	- 6,000 00	To Anderson	- 700 00
To Pulaski	- 500 00	To Spencer	- 1,200 00
To Clay	- 1,653 00	To Knox	- 1,700 00
To Greenup	- 16,000 00	Other places	- 20,750 00
To Green	- 3,030 00		
To Carter	- 150 00	Aggregate	- \$799,629 31

Question 17. Has your bank neglected to fill any vacancy in the directory of the bank or branches; and if so, say how long the vacancy was suffered to exist, and why?

Answer. Whenever any vacancy has occurred either in the principal bank, or any of the branches, the board have always filled it as soon as they could be informed of a fit person who was qualified according to the charter.

Question 18. Has your bank regularly counted the cash, and examined the bonds of the officers, as required by your charter? And if not, say why it was omitted.

Answer. The bonds of the different officers have been frequently exhibited to the board, and a committee has been appointed, quarterly, to examine the cashier's account, and have regularly made satisfactory reports. The minute counting of the cash has been too onerous a duty for the committee; but the examinations of the committee, from personal inspection, have always been made, and received by the board as satisfactory.

Question 19. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. We believe it has.

Question 20. You will answer the resolution of the session of 1837, (see acts of that session, 1836-'7, page 358;) and the answers to that resolution, so far as it contains answers to questions now propounded, may be referred to in your answers to the written questions.

Answer. The semi-annual report to the Secretary of State shows the condition of this bank and branches. The loans to citizens of Lexington and other counties, at the close of last year, answered by the 16th question. The amount loaned to the directors, including the debt as partners, \$31,675. The liabilities of directors on bills of exchange, \$33,113 63. The amount owing by the fifty highest debtors in the city of Lexington, (exclusive of the corporation, which owes \$25,253 79,) is \$184,596 37.

All which is respectfully submitted.

M. T. SCOTT, *Cashier.*
JNO. TILFORD, *President.*
JOHN BRANE, }
R. WICKLIFFE, Jr. } *Com.*

Louisville Branch of Northern Bank of Kentucky.

Questions to be answered by the branch of the Northern Bank of Kentucky, at Louisville.

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. It has.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. We are not aware that any bad debts have been made by this office; none have been carried to the account of profit and loss.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. We do not consider any of the debts due this branch as doubtful.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms upon which they were deferred?

Answer. We had deferred debts (growing out of the late commercial embarrassments) amounting to \$131,099 20; these debts have been reduced according to agreement; they amount at present to \$94,890.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. We do not recollect a single instance of our rejecting an application for a discount (or loan) on a note, with the view of inducing the applicant to offer a bill of exchange. We have frequently purchased bills of exchange, on the same day that notes offered for discount have been rejected, and in several instances, perhaps, from persons whose notes have been rejected. Bills of exchange are generally more profitable to the bank; and we prefer purchasing them, not only because they are more profitable, but because we believe it to be the interest of a larger portion of our customers and of the community, also, that we should do so. It is, also, the only means on which we can rely with any certainty for procuring eastern exchange, which we consider equivalent to, if not better than, specie. We think this branch, for a long time past, has had much too large a proportion of its capital employed in discounted notes.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were to be retained and paid at the branch at maturity?

Answer. Never.

Question 7. Has your branch discounted notes or bills with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. We have not paid out, on notes or bills discounted, any notes which we had not received on deposit, or in payment at par.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. We have not.

Question 9. Has your branch extended accommodations to citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. We are not aware that any distinction is made, when we know the applicants from other counties are equally good.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer. It is difficult to give a strictly correct answer to this question. As far as we can ascertain, the amount of loans to citizens of this city and county is \$492,454 45, and to citizens of other counties \$56,588 90.

Question 11. Has your branch regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if you have not, say why it was omitted.

Answer. The cash of this branch has been regularly counted by a committee of the board of directors, appointed from time to time for that purpose. The bond of our cashier is taken and kept at the mother bank at Lexington. The bonds of the clerks in this branch are kept by our cashier; they have not been examined by the board of directors since they were given.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. We believe it has.

Question 15. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required of the other debtors?

Answer. They have.

In answer to the questions contained in the resolution of the Legislature in relation to the amount loaned to the directors of this branch, and their liabilities on bills of exchange, and the several amounts the fifty highest debtors owe in this city, we answer: That the amount loaned to the members of the board of directors, individually, is only \$446 22; the amount of the notes discounted by this branch, of the firms of which the president and directors are members, is \$38,565 33; a considerable portion of this amount is in notes at 90 days date, and payable at maturity. The amount of the liabilities of the firms of which the directors are members, on bills of exchange, is \$32,496 12. The several amounts the fifty highest debtors in the city owe this branch are as follows, viz:

\$6,530	\$6,610	\$4,735	\$8,095	\$7,251	\$5,670	\$3,855
24,945	5,882	3,423	6,536	8,848	5,000	2,016
10,000	3,128	19,890	4,625	6,362	8,000	3,292
3,052	3,078	5,916	3,395	3,387	2,568	4,353
10,854	6,139	4,006	2,459	4,338	3,000	2,314
13,495	19,460	4,740	6,913	3,430	4,130	4,456
3,488	9,048	4,116	4,500	3,240	30,595	2,100
						5,835

Total, \$332,994.

Note.—The four largest amounts in the annexed list, amounting to \$94,890, are the debts referred to in the answer to question 4, and secured by mortgages on real estate.

All of which is respectfully submitted.

WM. RICHARDSON, *Cashier.*
 THOMAS ANDERSON, *President.*
 W. H. BACON, }
 J. P. BULL, } *Com. of Directors.*
 W. NISBET, }

LOUISVILLE, January 2, 1839.

Covington Branch of Northern Bank of Kentucky.

Questions propounded to the office Northern Bank of Kentucky by a committee of the Legislature.

Question 1. Has the business of your branch been transacted on good and safe security?

Answer. It has.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. We have made no bad debts, that we know of. Nothing has been carried to the account of profit and loss, except the balances of discount, exchange, and contingent expense accounts.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. There is some slight doubt entertained by some members of the board in relation to the security of debts, to the amount of \$33,806 25.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms upon which they were deferred?

Answer. We have no deferred debts that have yet become due.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. The board have refused to discount the paper of individuals, of whom they have afterwards purchased bills of exchange on points upon which they believed his business authorized him to draw, charging interest and exchange; and they have, also, in many instances, refused to purchase bills of exchange drawn without authority, and discounted notes for the same individuals, charging only 6 per cent. interest.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at maturity?

Answer. They have not.

Question 7. Has your branch discounted notes or bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. They have not.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. They have not.

Question 9. Has your branch extended accommodations to the citizens of your town and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. They have not, except in very few instances; and in those, the applicant lived nearer to some other branch.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer. The amount under loan upon notes and bills to citizens of the city of Covington, \$112,341 14; county of Campbell, \$105,003 66;

county of Boone, \$137,655 06; city of Cincinnati, \$42,666 42; Harrison, \$12,673; Gallatin, \$11,169; Pendleton, \$6,871; Grant, \$6,590 53; Greenup and Owen, \$3,030 27; bank drafts and checks, &c., \$9,222 46.

Question 11. Has your branch regularly counted the cash and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. The board have, at the last meeting in every month, appointed a committee to count the cash; which duty has been regularly performed on the last day of every month, except in three or four instances, when an attendance of the committee could not be procured. They have not been apprized that it was the duty of the branch board to examine the bonds of its officers, until the reception of these interrogatories; since which, that duty has been performed.

Question 12. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. It has.

Question 13. Have your president and directors paid the regular calls on their debts, in the same way, and at the same rate, as required of other debtors?

Answer. The board have not, in every instance, required the customary calls from the directors. In cases, however, where the indebtedness of a director has exceeded \$3,000, he has been placed upon the same footing as other debtors of the bank.

Amount loaned to president and directors	-	-	-	\$45,474 18
Their liabilities upon bills of exchange	-	-	-	13,277 28

\$58,751 46

Amounts the fifty highest debtors owe in the cities upon the notes and bills:

\$33,806 25	\$3,500 00	\$2,789 60	\$1,600 00	\$1,296 00	\$925 49
8,000 00	3,500 00	2,500 00	1,591 00	1,200 00	800 00
7,901 18	3,492 00	2,400 00	1,572 03	1,140 00	735 00
6,160 00	3,446 17	2,000 00	1,520 00	1,115 00	684 00
9,540 00	3,400 00	1,800 00	1,500 00	1,000 00	700 00
5,140 78	3,200 00	1,800 00	1,495 00	1,000 00	
4,444 00	3,081 27	1,760 00	1,400 00	1,000 00	
4,375 92	2,900 00	1,700 00	1,360 00	980 00	
3,600 00	2,861 00	1,613 80	1,314 00	968 19	

JOHN B. CASEY, *President.*

P. S. BUSH, *Cashier.*

JOHN K. McNICKLE, } *Directors.*
JAS. M. CLARKSON, }

CAMPBELL COUNTY, *scilicet:*

Personally appeared before the undersigned, a justice of the peace in and for said county, John B. Casey, president, P. S. Bush, cashier, and John K. McNickle and James M. Clarkson, directors, of the officers of the Northern Bank of Kentucky, in Covington, and made oath that the foregoing answers and exhibit were correct and true, to the best of their knowledge and belief.

Given under my hand this 2d day of January, 1839.

HAMILTON MARTIN, *J. P.*

Paris Branch of the Northern Bank.

Questions propounded by a committee of the Legislature of Kentucky to the Paris branch of the Northern Bank of Kentucky.

Question 1. Has the business of your branch been transacted on good and safe securities?

Answer. Yes.

Question 2. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the amount of profit and loss, and what other sums have been carried to said account?

Answer. None. The amount carried to profit and loss only includes contingent expenses.

Question 3. What amount of debts due your branch is considered doubtful?

Answer. None.

Question 4. If you had any deferred debts, have they been reduced in accordance with the terms on which they were deferred?

Answer. We have two deferred debts. The time to which they were deferred has not passed.

Question 5. Has your branch, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. We have, when it was known to the board that the applicant wanted the money for the purpose of purchasing and driving stock to a point upon which we were purchasing bills; not for the difference of profit only, but because experience has taught us that a large amount of eastern funds is absolutely necessary to protect and replenish our vaults; and, as this fund is to be obtained by the purchase of bills of exchange, during the fall, from stock-drovers, it has been the aim of this board to invest in bills such a portion of our capital as will secure the end desired. To drovers going to markets where exchange was exorbitant, we have usually loaned money on notes.

Question 6. Has your branch purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but were to be retained and paid at the branch at maturity?

Answer. At no time.

Question 7. Has your branch discounted notes or bills, with an understanding that the amount was to be taken in notes of less value than the notes of your branch?

Answer. No.

Question 8. Has your branch ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. No. We have in all cases used Rowlett's Table of Interest, as prescribed by the charter.

Question 9. Has your branch extended accommodations to citizens of your town and county, in preference to the citizens of other counties, when the notes or bills offered from such other counties were equally good?

Answer. We have never given preference to citizens of our own county, where applicants from other counties were known to be equally good.

Question 10. Can you state and exhibit the aggregate amount loaned to citizens of your town and county, and the aggregate of loans to citizens of each of the other counties to which you have made loans?

Answer. To Paris and Bourbon county, \$168,653 79; to other counties, \$77,937 14.

Question 11. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. It has.

Question 12. Have your president and directors paid the regular calls on their debts, in the same manner, and at the same rate, as required of the other debtors?

Answer. Their debt has uniformly been small, and few calls have been made upon them, in consequence of the smallness of their debt. When calls were made, they have been met.

Resolved, That it shall be the duty of said committee, at each session of the Legislature, to examine, within the first thirty days thereof, the condition of all the banks in the State; the amount of loans in the aggregate, and the proportion to the county, and cities and towns; the amount loaned to directors, and their liabilities on bills of exchange; and the several amounts the fifty highest debtors owe in the cities, and inquire into and report all facts necessary to a complete understanding of their management.

Answer to resolution. The amount of loans in the aggregate, at this office, was, on the 3d instant, \$246,590 93. The amount to this town and county, and other counties with which this office has done business, will be found in our answer to the 10th question. The amount owing by the directors of this branch, was, on the 3d instant, \$31,786 67. No liability on bills of exchange. And the amount owing by fifty of the highest debtors, on the discount line, on the same day, was \$150,049 53.

R. KEININGHAM, } *Committee.*
HU. J. BRENT, }
THO. KELLY, Cashier, }

BOURBON COUNTY, *set*:

Personally appeared before me, E. Thruston, a justice of the peace for said county, Richard Keiningham, Hugh J. Brent, and Thomas Kelly, cashier; and made oath that the foregoing answers are true, to the best of their knowledge and belief.

Given under my hand, this 4th day of January, 1839.

E. THRUSTON.

Question 13. Has your branch regularly counted the cash and examined the bonds of the officers, as required by your charter; and if not, say why it was omitted.

Answer. The directors of this office have, at all times, known the indemnity given by the officers of this branch to be ample, and, consequently, have claimed no renewal of bonds. They have regularly examined the cashier's account, and found entire correctness; but have at no time counted the cash, owing to the most implicit confidence in the cashier.

R. KEININGHAM, } *Committee.*
HU. J. BRENT, }

BOURBON COUNTY, *scilicet*:

Personally appeared before me, the subscriber, a justice of the peace for said county, Richard Keininghan and Hugh J. Brent, and made oath that the above answer is true, to the best of their knowledge and belief.

Given under my hand, January 4, 1838.

E. THRUSTON.

Richmond Branch of Northern Bank of Kentucky.

OFFICE NORTHERN BANK OF KENTUCKY,
Richmond.

At a meeting of the board of directors of the office of discount of the Northern Bank of Kentucky, at Richmond, Daniel Breck, president, Wm. McClanahan, cashier, and Curtis Field and Howard Williams, directors, were appointed a committee to answer and report upon the interrogatories propounded by the joint committee of the Senate and House of Representatives of the Legislature of Kentucky, during its present session. The committee, having had said interrogatories, and all matters pertaining thereto, under careful consideration, submit the following answers, and report:

To the 1st interrogatory. The committee report that the business of this branch has been transacted upon good and safe securities.

To the 2d. That no bad debt, or debts believed to be bad, have been made since this branch went into operation; no such debts have been carried to the account of profit and loss, and no extra sums, other than premiums and discounts, and the current expenses of the branch, have been carried to that account, except the following, to wit: \$1,261 42, being interest at the rate of 12 per centum per annum, paid by this branch upon notes and deposits, upon which specie was demanded in the year 1837, after the suspension of specie payments; also, \$269 01, costs of suits against the Northern Bank of Kentucky, paid at this office; also, \$200 received in counterfeit bank notes.

To the 3d. The committee answer that there are no debts due this branch considered bad—none even doubtful; nor has this branch, in answer to the 4th interrogatory, any deferred debts.

To the 5th. The committee state that, knowingly, no bill of exchange has been purchased at this office, except in the ordinary and legitimate course of trade; nor has any such bill been purchased merely for the sake of the exchange over and above the interest. The object in the purchase of bills of exchange has been to accommodate the drawer, and to enable the bank to obtain in return eastern funds, or funds that would pay for the import of the country.

To the 6th. No bill of exchange has been purchased at this office, and the exchange and interest taken off, with the understanding that such bill was not to be sent for collection, but to be retained and paid off at the branch at maturity.

To 7th and 8th. The committee state that no notes or bills have been discounted at this office, with an understanding that the amount was to be taken in notes of less value than the notes of this branch; nor has a greater rate of interest than one per cent. for every sixty days been taken.

To the 9th. The committee state that accommodations have not been extended to the citizens of the county of Madison or town of Richmond, in preference to the citizens of other counties, when the notes and bills from such other counties have been equally good.

To the 10th. The committee answer that the aggregate amount of discounts at this branch is \$140,063 95, and the amount loaned and due from the citizens of Richmond is

Citizens of Richmond is	-	-	-	\$21,016 02
Citizens of Madison county	-	-	-	64,028 83
Citizens of Garrard county	-	-	-	13,049 14
Citizens of Lincoln county	-	-	-	4,152 17
Citizens of Estill county	-	-	-	12,222 51
Citizens of Clarke county	-	-	-	12,088 69
Citizens of Bourbon county	-	-	-	2,500 00
Citizens of Bath county	-	-	-	500 00
Citizens of Floyd county	-	-	-	500 00
Citizens of Clay county	-	-	-	1,902 02
Citizens of Knox county	-	-	-	3,500 00
Citizens of Whitley county	-	-	-	969 51
Citizens of Laurel county	-	-	-	1,610 06
Citizens of Rockcastle county	-	-	-	1,525 00
Citizens of Woodford county	-	-	-	500 00

To the 11th. The committee state they believe the requisitions of the charter have been regularly complied with, in examining and counting the cash, and examining officers' bonds.

To the 12th. Has been already answered, as this office has no suspended debt.

To the 13th. The committee state that the aggregate amount due by note to this office, by the president and directors thereof, is \$15,572. Upon bills of exchange, none of them are under any liability; and the committee are not aware that any partiality has been shown in making them loans, nor have they been treated differently from other debtors in the calls which have been made upon their debts, and in the payment thereof.

The fifty highest debtors to this bank, on the discount line, owe the aggregate sum of \$93,360.

All which is respectfully submitted, this 31st of December, 1838.

DAVID BRECK, *President.*
W. McCLANAHAN, *Cashier.*
CURTIS FIELD,
HOWARD WILLIAMS.

KENTUCKY, *Madison county, scilicet*:

This day personally appeared before the subscriber, a justice of the peace for the county aforesaid, David Breck, William McClanahan, Curtis Field, and Howard Williams, and severally made oath that the facts stated in the foregoing report are true, to the best of their knowledge and belief.

Given under my hand this 2d day of January, 1839.

JOSEPH TURNER, *J. P.*

A statement showing the resources and liabilities of the Northern Bank of Kentucky and branches, each month, from the 1st day of January to the 31st day of December, 1838, inclusive.

RESOURCES.

1838.	Bills discounted.	Bills of exchange.	Suspended debt.	State bonds.	Due from other banks.	Real estate.	Contingent expenses.	Specie on hand.
January	\$2,327,793 64	\$595,462 63	\$27,217 10	\$755,000 00	\$500,812 42	\$98,120 91	\$706 82	\$754,401 76
February	2,372,829 01	504,946 79	30,042 10	755,000 00	630,121 30	98,118 01	5,779 72	754,448 09
March	2,248,707 79	614,386 56	21,107 10	755,000 00	423,781 35	99,118 01	9,600 58	753,235 44
April	2,303,069 12	651,989 44	22,957 10	755,000 00	464,219 36	99,129 01	12,942 87	755,333 13
May	2,297,335 94	637,266 19	25,018 42	755,000 00	508,551 76	99,129 01	14,992 54	751,444 39
June	2,282,296 63	641,031 35	23,221 99	755,000 00	635,203 31	99,155 13	4,269 37	762,051 80
July	2,293,220 93	637,045 84	22,321 99	755,000 00	631,114 14	99,155 13	7,760 17	768,004 26
August	2,300,477 96	775,916 11	21,321 99	755,000 00	495,638 70	99,165 13	10,673 83	748,901 49
September	2,409,651 14	1,087,534 78	21,028 19	755,000 00	475,520 68	99,155 13	13,625 85	730,039 84
October	2,381,537 91	1,563,943 69	20,653 10	755,000 00	276,050 14	99,857 88	16,202 98	720,133 82
November	2,223,807 12	1,735,301 00	19,110 10	755,000 00	206,506 78	100,857 88	-	705,784 22
December	2,049,760 44	1,835,537 02	43,443 71	755,000 00	565,077 45	100,857 88	-	698,302 37
1838.	Notes of other banks.	Unmatured checks.	Premiums.	Protest account.	Interest account.	Interest paid Bk U. States.	State of Kentucky.	Total.
January	\$282,727 00	\$38,180 92	\$231 11	- \$1 66	-	-	-	\$5,442,254 21
February	259,727 00	120,300 08	-	J 66	\$537 99	-	-	5,506,425 66
March	319,647 00	-	-	-	-	-	-	5,367,483 56
April	356,062 00	-	-	-	-	-	-	5,421,312 03
May	357,032 00	79,502 87	-	-	110 67	\$9,219 01	-	5,434,612 83
June	372,361 00	-	-	-	27,500 00	-	-	5,606,340 66
July	345,589 00	-	-	-	-	-	-	5,656,610 55
August	359,439 00	-	-	-	-	-	-	5,937,476 59
September	345,812 00	-	-	-	-	-	-	6,163,334 39
October	332,532 00	-	-	-	-	-	-	6,212,938 21
November	282,515 00	-	-	-	-	-	-	6,376,175 87
December	302,597 00	-	-	-	-	-	-	

LIABILITIES.

1838.	Capital stock.	Notes in circulation.	Due to other banks.	Due to Treasurer United States.	Due State of Kentucky.	Due commissioners stocking fund.	Individual depositors.
January	\$2,659,300 00	\$1,543,650 00	\$247,186 18	\$130,558 54	\$15,000 00	\$7 60	\$387,217 94
February	2,683,310 00	1,571,385 00	273,517 86	111,062 42	-	-	393,624 97
March	2,698,595 00	1,496,190 00	217,866 98	81,529 73	-	-	357,340 20
April	2,630,300 00	1,490,495 00	260,821 59	66,478 86	-	-	404,984 29
May	2,706,740 00	1,475,735 60	246,900 10	61,897 22	-	-	395,830 75
June	2,750,815 00	1,499,755 00	218,695 05	60,949 49	-	-	466,040 60
July	2,771,965 00	1,681,866 00	246,295 87	56,019 71	-	-	412,326 97
August	2,797,125 00	1,617,859 00	197,634 76	51,475 77	-	-	399,407 76
September	2,780,090 00	1,821,222 00	270,252 53	41,112 57	-	-	436,086 47
October	2,808,865 00	2,101,600 00	205,047 35	31,100 81	-	-	425,732 01
November	2,850,330 00	2,150,977 00	254,574 66	33,856 03	-	-	392,407 36
December	2,825,685 00	2,167,994 00	333,820 88	32,409 22	-	-	512,677 86
1838.	Bank of the United States.	Discounts and premiums.	Conting't fund and profit and loss.	Dividends unclaimed.	Treasurer of Kentucky.	Due State Government officers.	Total.
January	\$368,761 80	\$10,898 13	\$70,143 98	\$9,530 04	-	-	\$5,442,254 21
February	368,761 80	27,239 69	70,143 98	7,479 73	-	-	5,506,425 66
March	368,761 80	50,074 41	70,143 98	6,981 86	-	-	5,367,483 56
April	368,761 80	62,289 93	70,143 98	6,686 95	\$339 63	-	5,421,312 03
May	368,761 80	80,819 91	70,143 98	6,279 55	21,594 52	-	5,434,612 83
June	368,761 80	19,206 78	161,462 91	6,062 14	35,348 59	-	5,537,640 61
July	368,761 80	48,350 29	64,296 96	10,492 61	-	\$12,508 96	5,696,340 66
August	368,761 80	79,471 12	64,856 96	8,630 25	-	112,508 96	5,656,610 55
September	368,761 80	111,721 63	64,856 96	4,301 70	-	57,720 44	5,937,476 59
October	368,761 80	137,152 60	64,856 96	6,320 59	-	29,247 94	6,163,334 39
November	184,380 90	-	911,289 95	5,952 76	-	128,440 94	6,312,938 21
December	184,380 90	-	-	5,793 03	-	32,124 94	6,376,175 87

NORTHERN BANK OF KENTUCKY,
Lexington, January 4, 1839.

The following resolutions being left by the Committee on Banks, with a request that the information desired should be furnished by the 5th of January, 1839, viz :

Resolved, That the Committee on Banks ascertain, accurately, the full amount of the public deposits of the United States, held by the Northern Bank of Kentucky, and by the Bank of Kentucky, at the beginning of each month, from the 1st day of July, 1836, to the 1st of October, 1837, inclusive; and, also, that the committee ascertain with certainty in what manner said deposits were made by the officers of the Federal Government in either of said banks—whether the money was actually deposited with said banks, or, if the deposit was made in them through checks, or drafts, or orders of transfers upon other banks in the eastern States, or elsewhere, which, at the date of said checks, drafts, or transfers, held the public money of the United States on deposit; and, also, ascertain from what places the public money of the United States was transferred to the said Kentucky banks, and the time when such sum received by them was deposited with them, or either of them; and, also, that the committee require of the said banks to exhibit the evidences of calls made upon either of them, during the period aforesaid, by the Secretary of the Treasury of the United States, for any part of the public money so deposited with them; and if such calls were made, that the directory of said banks show to the committee the several amounts called for, and to what places the said banks were ordered or required, on the part of the United States, to transfer the amounts called for. And that the committee ascertain if the said banks did not meet or comply with said calls through the medium of bills of exchange, purchased from the trading and mercantile people, and checks, or bills of exchange, or drafts, sold by said banks to other persons; and that said committee report to this House all the facts involved in the inquiries herein directed, stating therein in what sort of funds the banks met these calls of the United States, and by what means they were enabled to meet them.

Resolved further, That the committee ascertain at what discount, if any, did the Northern Bank sell the bonds she had purchased from the Governor of this State to the Treasurer of the United States.

Resolved further, That the committee ascertain from said Kentucky banks if the whole amount of the public money which had been deposited with them for the State of Kentucky had not, before the 15th day of May, 1837, being either discounted or invested in bills of exchange, and if the money so discounted or invested in the purchase of bills of exchange was, on the day aforesaid, returned or paid into said banks.

To which we answer as follows :—

First resolution.—The account current of the principal bank, and office at Louisville, with the Treasurer of the United States, (hereto annexed, marked No. 1 and No. 2,) with the remarks contained in said accounts, will furnish the information desired by the first resolution, except as to the means by which the bank was enabled to make the payments. On that subject this committee would state, that the moneys of the United States, on deposit, entered into the general business of the bank; part might be considered as vested in exchange, part in loans, and a part re-

maining on deposit; and from the payment by debtors of the bills of exchange and loans, and from funds on hand, the bank was enabled to meet the calls on it.

Answer to second resolution.—The bank sold ninety-four thousand dollars of those bonds to the Secretary of the Treasury, at par, and one thousand dollars to the Secretary of War, for nine hundred and eighty dollars; and the payments were made principally in eastern funds, then worth one per cent. premium, which produced a profit to the bank of \$920 over the par of the stock sold.

Answer to third resolution.—The committee are unable to say whether all the public moneys on deposit had, or had not, been invested in loans or exchange, before the 15th of May, 1837, as the deposits were not kept separate or apart from the other funds of the bank, but mingled in general deposit. A part of the moneys might be considered as invested in loans and bills of exchange, some of which no doubt remain unpaid to this day.

M. T. SCOTT, *Cashier*.

JN. TILFORD, *Pres't.*
JOHN BRANE,
M. C. JOHNSON,
R. WICKLIFFE, JR.

} *Com. of Northern
Bank of Kentucky.*

No. 1.

Treasurer of the United States with the Northern Bank of Kentucky, Lexington.

Dr.

Cr.

1836.				1836.		
August 22	To cash for pension fund	-	\$5,000 00	August 3	By cash, in notes of the banks of Kentucky paid through this office at Louisville	100,000 00
Oct. 10	To cash paid J. M. McCalla	-	3,000 00	6	By cash, in notes of the banks of Kentucky paid through this office at Louisville	100,000 00
17	To cash paid Thos. B. Monroe	-	375 00	12	By cash, in notes of the banks of Kentucky paid through this office at Louisville	100,000 00
Nov. 1	To cash paid J. M. McCalla	-	50 00	12	By cash, in notes of the banks of Kentucky paid through this office at Louisville	1,350 69
1	To cash paid L. Sanders, jr.	-	50 00	1837.		
Jan. 24	To cash paid J. M. McCalla	-	50 00	Feb. 11	By cash of C. C. Randall	30 00
25	To cash paid Thos. B. Monroe	-	375 00	March 7	By cash of J. M. McCalla, marshal Kentucky district	1,000 00
26	To cash paid L. Sanders, jr.	-	50 00	29	By interest on public deposits	3,982 03
Feb. 27	To cash for pension fund	-	30,500 00	30	By interest on public deposits	3,957 10
March 29	To cash for pension fund	-	10,000 00	Sep. 20	By cash of A. D. Stewart, paymaster, &c.	15,000 00
April 19	To cash paid Thos. B. Monroe	-	375 00			
21	To cash paid J. M. McCalla	-	50 00			
25	To cash paid L. Sanders, jr.	-	50 00			
May 4	To cash paid A. D. Stewart, paymaster Ky. Sabine volunteers	-	60,000 00			
23	To cash paid L. H. West	-	80 00			
June 14	To cash paid State of Kentucky on account of surplus revenue	-	100,000 00			
19	To cash for pension fund	-	11,000 00			
19	To cash for pension fund	-	10,780 00			
19	To cash for pension fund	-	12,480 00			
19	To cash for pension fund	-	13,000 00			
July 17	To cash for Thos. B. Monroe	-	375 00			

19	To cash for Mrs. A. Davis	-	240 00			
21	To cash for J. M. McCalla	-	50 00			
24	To cash for L. Sanders, jr.	-	50 00			
29	To cash for pension fund	-	60,000 00			
Aug. 20	To cash, cashier Northern Bank of Kentucky	-	980 00			
Nov. 4	To cash for pension fund	-	2,459 82			
Dec. 9	To cash paid J. M. McCalla	-	3,000 00			
			324,419 82			324,419 82

DR. *Treasurer of the United States in account at Louisville branch of the Northern Bank of Kentucky.* Cr.

1836. August 30	To balance - - -	\$350,000 00	1836. Aug. 30	By B. F. Mims, cashier; pay- ment of transfer draft No. 1,416, on Branch State Bank of Indi- ana, Indianapolis, in our favor, payable 31st instant - - - [Transfer draft No. 1,416 paid to us in notes of the Kentuc- ky and Cincinnati banks, with \$2,811 on St. Louis.] By Louisville Savings Institute: payment of transfer draft No. 1,433 on them, due 1st Sep- tember, 1836 - - - [Payment of transfer drafts Nos. 1,433 and 1,434, received in checks on New Orleans for about \$50,000; specie, \$12,000, and balance in notes of the different banks received at our counter.] By payment of transfer draft No. 1,434 on them, payable 20th September, 1836 - - -	\$150,000 00 100,000 00 100,000 00 350,000 00
		350,000 00			

1836. Sept. 26.	To balance - - -	\$554,777 78	1836. Aug. 30 Sept. 16.	By balance - - - By office State Bank Indiana, at New Albany, in payment of transfer draft No. 1486, payable to this office 20th inst., viz: In silver - - - In notes - - - J. R. Shields, cashier, check on the Bank of Louisville - - - Do. Bank of Kentucky - - - Do. on this office - - - [Payment of transfer draft No. 1486, for \$100,000, received as specified in en- try.] By receipt for transfer draft No. 1444 on Branch State Bank Indiana, In- dianapolis, favor of this office, due this day - - - [Payment of transfer draft No. 1444 re- ceived in bank notes and checks on city banks.] By deposit by D. J. Baker, U. S. attorney for Illinois, on account of moneys col- lected by him as trustee from Bank of Illinois, at Shawneetown - - - [Bank notes.]	\$350,000 00 50,000 00 6,000 00 30,000 00 11,325 00 2,675 00 100,000 00 4,777 78 554,777 78
		554,777 78	Sept. 20. Sept. 26.		

No. 2—Continued.

1836. Oct. 21.	To cash paid Bank Kentucky, J. Campbell's transfer draft, No. 1652, on this office, payable 1st November [Paid by check of this office in the Bank of Kentucky.] To same, J. M. Campbell, treasurer's, transfer draft No. 1653, due 1st December, 1836 [Paid in bank notes.] To balance	\$100,000 00	By balance By Branch State Bank Indiana, at New Albany, in payment of transfer draft No. 1487, due this day [Paid in check on New York, \$15,000; balance bank notes of its branches.] By Louisville Savings Institution, in payment of transfer draft No. 1435, due this day [\$10,000 in specie; balance in Kentucky and Cincinnati bank notes.] By Louisville Savings Institution, in payment of transfer draft No. 1436, due this office 20th November, 1836 [Paid in notes of Kentucky banks.]	\$554,777 78 100,000 00 100,000 00 100,000 00
Oct. 27.	To balance	100,000 00		100,000 00
Nov. 22.	To balance	654,777 78		100,000 00
		854,777 78		854,777 78
Nov. 22.	To balance	\$761,074 13		\$654,777 78
Nov. 1.			By J. G. Read, receiver at Jeffersonville, Indiana: In gold - - - - - 143 43 In silver - - - - - 12,452 92 In bank notes - - - - - 13,700 00	143 43 12,452 92 13,700 00
Nov. 22.			By transfer draft No. 1568, paid by Br. State Bank of Indiana, at Indianapolis - [Payment of transfer draft No. 1568, received in—\$45,000 specie; \$10,000 check on New York; balance in bank notes of Kentucky banks.]	89,000 00
		761,074 13		761,074 13

1836. Dec. 21.	To Bank Kentucky, for transfer draft No. 1654, on this office, due and payable 1st of January, 1837 [Paid in Bank of Kentucky notes.] To balance	\$100,000 00	By balance By Branch State Bank Indiana, at Indianapolis, in payment of transfer draft, due this day [Paid in checks on New York, \$110,000; checks on Baltimore, \$51,000; balance in Kentucky bank notes.] By J. G. Read, receiver at Jeffersonville, Indiana: In bank notes - - - - - 14,890 00 In silver - - - - - 16,073 90 In gold - - - - - 659 64	\$761,074 13 200,000 00 14,890 00 16,073 90 659 64
Dec. 23.		1,332,697 67	By Louisville Savings Institution, in payment of transfer draft No. 1437, due 20th instant [Paid in Bank of Kentucky notes \$50,000; in Northern Bank notes \$100,000.] By Commercial Bank of Cincinnati, transfer draft No. 1626, due 1st instant, and extended to 1st January, 1837 [Payment of transfer draft No. 1626, received in checks on New York for \$100,000; balance in Kentucky bank notes.]	150,000 00 190,000 00
		1,332,697 67		1,332,697 67

No. 2—Continued.

1837. Jan. 5.	To Bank of Kentucky, transfer draft No. 1655, due 1st February. [Paid in Bank of Louisville and Bank of Kentucky notes.] To transfer draft No. 27, favor Treasurer of the State of Kentucky—paid Treasurer of said State by placing the amount to his credit To Treasury warrant No. 4133, to Lewis Randolph, late Secretary Arkansas Territory [Paid in bank notes and specie.] Balance	\$100,000 00 320,000 00 431 13 1,012,266 52 1,432,697 67	1836. Dec. 23. 1837. Jan. 10.	By balance - By Branch State Bank of Indiana, Indianapolis, for payment transfer draft No. 1555, due this day [Check on N. York, \$10,000; Kentucky bank notes, \$182,000; New Albany, \$4,000; Cincinnati, \$4,000.]	\$1,232,697 67 200,000 00 1,432,697 67
Feb. 10. Feb. 10.	To transfer draft No. 1788, favor of Bank of Kentucky, due 15th instant [Bank of Kentucky notes.] Balance	\$100,000 00 1,102,266 52 1,202,266 52	1837. Jan. 31. Feb. 1.	By balance - By transfer draft No. 1627, on Commercial Bank, Cincinnati, due 1st January and extended to 1st February, by order of Treasurer [By checks on Bank of Kentucky, Bank of Louisville, and balance in Kentucky bank notes.]	\$1,012,266 52 190,000 00 1,202,266 52

1837. March 1	To transfer draft No. 1656, favor of Bank of Kentucky [\$50,000 Bank of Louisville notes; \$50,000 Bank of Kentucky notes.] To Treasury warrant No. 159, to trustees marine hospital, Cumberland, Kentucky [Bank notes and specie.] To transfer draft No. 1789, favor of Bank of Kentucky, due this day [Paid in Bank of Kentucky notes.] To transfer draft No. 133, to State of Kentucky, this day passed to the credit of the treasurer of the same [Afterwards transferred to Bank of Kentucky, and paid, together with a further balance; silver, \$100,000; gold, \$50,000; State bonds, \$250,000.—(See general settlement with Bank of Kentucky, Aug. 18, 1837.) In our settlement with the branch of the Bank of Kentucky at Frankfort, we paid \$135,000 by check on Bank of Louisville, and \$49,000 in our own notes.] Balance carried forward	\$100,000 00 351 50 50,000 00 320,000 00 706,487 45 1,176,838 95	1837. Feb. 10 March 1 March 31	By balance By J. G. Read, receiver at Jeffersonville, Indiana— In gold In silver By J. G. Read, receiver at Jeffersonville, Indiana— In silver In gold	\$1,102,266 52 1,233 15 38,104 85 34,273 94 960 49 1,176,838 95
March 31					

No. 2—Continued.

1837. April 14	To transfer draft No. 1,787, favor of Bank of Kentucky [Bank notes.]	\$100,000 00	1837. March 31	By balance	\$706,487 45
April 19	To transfer draft No. 1,922, favor of the Planters' Bank of Tennessee, due July 24, 1837	100,000 00			
April 19	[Paid by check on New York.] To ditto, for ditto, No. 1,920, due June 24, 1837	100,000 00			
April 30	[Paid by check on New York.] To balance	406,487 45			
		<u>706,487 45</u>			<u>706,487 45</u>
1837. May 13	To transfer draft No. 6,424, favor of Captain Brown [Paid in specie.]	21,000 00	1837. April 30	By balance	406,487 45
May 13	To balance	405,372 45	May 1	By J. G. Read, receiver at Jeffersonville, Indiana— In gold 807 91 In silver 19,077 09	
		<u>426,372 45</u>			<u>426,372 45</u>

June 15	To State transfer draft No. 252, paid Treasurer State of Kentucky [Transferred to Bank of Kentucky—see entry March 31.]	100,000 00	May 13	By balance	405,372 45
June 19	To Treasury warrant No. 6, Henry Hollingsworth	141 00			
June 19	Balance	305,231 45			
		<u>405,327 45</u>			<u>405,372 45</u>
July 17	To transfer draft No. 1,943, favor of Bank of Virginia, due 1st July [Paid by Northern Bank.]	100,000 00	June 19	By balance	305,231 45
July 17	To transfer draft No. 1,983, favor of same [Paid by Northern Bank.]	100,000 00		[In notes of Bank United States, banks in Virginia, check on Bank Metropolis, and on banks in N. York.]	
July 17	Balance	105,231 45			
		<u>305,231 45</u>			<u>305,231 45</u>
Dec. 4	To warrant No. 3,065, favor of H. M. Shreve	5,000 00	July 17	By balance	105,231 45
Dec. 6	[U. S. Bank-notes, \$3,000; Kentucky bank-notes, \$2,000.] To warrant No. 2,995, favor of John Tilford, pension agent	67,540 18	Aug. 31	By balance	same.
Dec. 31	Balance	32,691 27	Sept. 30	By balance	same.
		<u>105,231 45</u>	Oct. 31	By balance	same.
			Nov. 30	By balance	same.

No. 2—Continued.

1838.	Jan. 4	To warrant No. 3,065, favor of Verplank Van Antwerp [Gold, \$2,000; U. States Bank notes, \$1,000; Kentucky notes, \$2,000.] To warrant No. 3,112, favor of H. M. Shreve (our own notes) Balance	\$5,000 00 10,120 00 17,571 27 32,691 27	1837. Dec. 31	By balance	\$32,691 27
	Feb. 14	To warrant 3,218, favor of Wm. McKnight, superintendent	14,000 00	1838. Jan 18	By balance	17,571 27
	Feb. 27	To warrant No. 3,248, favor of E. R. Long [Bank-notes, Kentucky.] Balance	200 00 3,371 27 17,571 27			17,571 27
	March 30	To warrant No. 3,333, favor of Louisville Savings Institution [Specie.] To balance	2,780 77 590 50 3,371 27	Feb. 27	By balance	3,371 27
	March 30		590 50			590 50
	April 10	To warrant No. 2,035, favor of trustees of Cumberland hospital [U. States Bank notes and specie.]	590 50	March 30	By balance	590 50

LOUISVILLE, December 26, 1838.

F. X. WHITE, Gen'l Bookkeeper.

Bank of Louisville.

Answers to the questions propounded by the Joint Committee of the Senate and House of Representatives of Kentucky on Banks.

Question 1. Has the Bank of Louisville complied with the second and third sections of the act, approved February 16, 1838, entitled "An act dispensing with quarterly, and substituting monthly statements, and providing for monthly balance-sheets to be lodged with the Secretary of State?"

Answer. Yes; so far as relates to this bank.

Question 2. Will the reports of the Bank of Louisville to the Secretary of State exhibit the true condition of said bank at the close of each month, from the 1st of January, 1838, to the 1st of January, 1839? And, if they will not, then exhibit such a statement in connexion with your answer to this question.

Answer. They will.

Question 3. Has the business of the Bank of Louisville been transacted on good and safe security?

Answer. Yes; to the best of our judgment.

Question 4. What amount of bad debt have you made since you went into operation? and what amount of bad debt has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. No bad debts, to our knowledge, have been made; therefore, none have been carried to the debit of profit and loss account. Other amounts, usually carried to that account, are the expenses of the bank, semi-annually; premium of bills of exchange, and discount on notes; and surpluses and deficiencies in the cash, which sometimes occur in small amounts, and when the errors by which they arise cannot be traced. A transcript of the profit and loss account will be furnished, if required.

Question 5. What amount of debts due your bank is considered doubtful?

Answer. In relation to the doubtful debts of the bank, it is difficult to say; the board would reluctantly consider any doubtful. But, in order to meet the question, they believe \$20,000 a large estimate; but will state it at that, in order not to be under the mark.

Question 6. Have the deferred debts in the Bank of Louisville been reduced, in accordance with the terms on which they were deferred?

Answer. Yes; with but very few exceptions.

Question 7. Has that part of the capital employed in exchange yielded a greater profit than the part employed in direct loans? And, if it has yielded a greater profit, how much, or what per cent.? and, if it has not, why has it been employed in exchange?

Answer. The net profits on exchange have been greater than on notes but, we think, one per cent. in proportion to the amount invested.

Question 8. Is there greater punctuality in paying bills of exchange, than in paying notes discounted?

Answer. We think there is not greater punctuality in paying bills of exchange than notes discounted; much punctuality has been observed in both, with the exception of bills in the difficult times of 1837. Bills are more available, because the board are not liable to be called on to aid in payment; on notes, they frequently are.

Question 9. Has the bank, when applied to for loans of money, ever refused it by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. We have no recollection of any case of refusing to discount a note, with a view to getting a bill of exchange from the same parties; but the bank has frequently preferred exchange, both as it regarded profit and a proper division of its means between notes discounted and bills of exchange; and the board would prefer at this time a larger proportion of bills of exchange than they have. Towards bills of exchange not founded on actual business, or not fortified by undoubted names, no encouragement whatever is shown; with undoubted names, a note is as readily discounted as a bill of exchange, unless the discount line is disproportionately large.

Question 10. Has the bank purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but to be retained and paid at the bank at maturity?

Answer. Never.

Question 11. Has the bank ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. The bank has always calculated interest on the principle of Rowlett's Tables of Interest, as authorized by the charter, which is one per cent. for sixty days.

Question 12. Has the bank discounted notes, or bills, with an understanding that the amount was to be taken in notes of less value than the notes of the bank?

Answer. Never.

Question 13. Why does your bank charge one-half of one per cent. exchange between different places in your own State?

Answer. Because it is in accordance with the board's view of its value. It must be obvious that when bills are collected at a point not immediately available at par, the half of one per cent. exchange is a small equivalent. In some cases they are not available for months, there being no demand for checks on those points, and because exchange is in favor of Louisville from every point in the State.

Question 14. Why has your bank charged so high a rate of exchange on New Orleans and other places in the south?

Answer. We have not for more than eighteen months purchased exchange on the south, except on New Orleans. We have charged but 2 per cent., since it was reasonably certain that the New Orleans banks would resume payments in specie on 1st January, 1839; before this was reasonably certain, we charged from 3 to 5 per cent., and these we do not consider high: 1st. Because we expected to resume, and did resume, before the New Orleans banks were ready to resume. 2d. Because the rate of exchange between New Orleans and New York was high. 3d. Because the domestic exchanges of the whole Union were very much deranged. 4th. Because of the uncertainty as to the time when we could hope to realize, in par funds, at Louisville, the amounts invested in such bills. 5th. Because New Orleans bank notes were selling in this market at from 6 to 10 per cent. discount, and we could get nothing but those notes at New Orleans for collections there, without submitting to the current exchanges of New Orleans to procure bills on other places. 6th.

Because, considering the hazard and delay, the board believed it was worth as much as they charged for making those negotiations.

Question 15. Has your bank extended accommodations to the citizens of your city and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. In no case whatever, where the board were equally well acquainted with the responsibility and punctuality of the applicants.

Question 16. Can you state and exhibit the aggregate amount loaned to citizens of Louisville, and the aggregate amount to citizens of other counties, separately?

Answer. The aggregate amount of loans on notes discounted, to citizens of Louisville, up to the 31st instant, is \$928,000; to those out of Louisville, of other counties in the State, \$130,000; on bills of exchange, to citizens of Louisville, \$264,000; out of Louisville, about \$80,000.

Question 17. Has your bank neglected to fill any vacancy in the directory of the bank? and if so, say how long the vacancy was suffered to exist, and why?

Answer. No.

Question 18. Has your bank regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. Yes.

Question 19. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. Yes; to the best of our knowledge and belief.

JNO. S. SNEAD, *President.*

ALFRED THRUSTON, *Cashier.*

VIRGIL McKNIGHT, } *Committee of*

EDWARD CROW, } *Directors.*

COMMONWEALTH OF KENTUCKY, }
Jefferson county, } *ss.*

Personally appeared before me, a notary public for Jefferson county, duly qualified and sworn, John S. Snead, Virgil McKnight, Alfred Thruston and Edward Crow, who made oath that the answers hereto prefixed are just and true. In testimony whereof, I have subscribed my name, and affixed my seal of office, this 31st day of December, 1838.

JOHN P. MILLER, *N. P.*

NOTE.—To question 20th, the information called for by the resolution of 23d February, 1837, is embraced in answer to questions of the committee. and in semi-annual statements of the bank required to be made to the Secretary of State.

A. THRUSTON, *Cashier.*

A statement showing the resources and liabilities of the Bank of Louisville, each month, from the 1st day of January, to the 31st day of December, 1838, inclusive.

RESOURCES.

1838.	Bills dis- counted.	Bills of exchange.	City loans.	Bank checks.	Due from other banks.	Rent estate.	Expense ac- count.	Notes of other banks.	Specie on hand.	Total.
January	\$843,945 71	\$135,701 70	\$80,000 00	\$17,240 00	\$66,404 41	\$45,116 99	\$5,203 51	\$9,445 96	\$152,918 23	\$1,356,067 41
February	932,073 89	120,612 39	80,000 00	24,863 94	63,013 76	45,134 99	5,956 41	41,285 00	153,308 45	1,456,238 83
March	1,072,800 53	101,527 90	80,000 00	32,775 90	46,084 19	45,149 99	5,946 70	106,869 10	152,740 23	1,644,484 54
April	1,103,435 37	115,336 71	80,000 00	31,875 90	51,343 92	45,945 93	6,967 00	77,186 89	152,145 92	1,664,237 64
May	1,138,613 26	141,084 58	80,000 00	25,175 90	71,932 21	45,945 93	8,258 40	84,865 50	153,251 09	1,749,126 87
June	1,109,556 57	139,607 02	80,000 00	25,175 90	110,719 16	45,945 93	8,232 95	67,790 70	155,761 46	1,742,789 69
July	1,069,763 34	137,452 56	80,000 00	29,911 71	111,314 66	45,945 93	2,377 82	84,477 00	155,647 44	1,714,670 96
August	1,066,663 22	150,722 52	80,000 00	15,170 81	119,506 26	45,945 93	2,402 23	46,275 00	156,005 69	1,682,666 65
September	1,067,714 06	172,611 54	80,000 00	15,527 00	68,946 73	45,945 93	3,369 39	82,560 78	151,078 42	1,681,975 20
October	1,096,032 66	202,351 56	80,000 00	14,777 00	79,236 36	45,945 93	4,487 45	91,706 73	148,756 40	1,732,947 43
November	1,058,340 78	292,745 31	80,000 00	14,907 00	56,353 32	45,945 93	4,551 72	85,953 08	145,043 23	1,820,457 98
December		344,531 15	80,000 00	13,661 90	54,578 61	45,945 93		79,415 18	142,946 61	1,823,971 88

LIABILITIES.

1838.	Capital stock.	Due to other banks.	Surplus fund.	Profit and loss.	Discounts & premiums.	Dividends unclaimed.	Circulation.	Individual depositors.	Treasurer of Kentucky.	Commiss- ioners sinking fund.	Total.
January	\$1,150,000 00	\$68,196 74	\$23,000 00	\$3,828 13	\$5,555 11	\$1,324 00	\$75,790 00	\$28,373 43	-	-	\$1,356,067 41
February	1,150,000 00	63,655 08	23,000 00	3,828 13	27,363 58	1,249 00	37,000 00	90,143 04	-	-	1,456,238 83
March	1,150,000 00	66,773 16	23,000 00	3,828 13	51,622 36	1,249 00	234,250 00	113,761 89	-	-	1,644,484 54
April	1,150,000 00	42,888 34	23,000 00	3,828 13	57,675 77	1,219 00	249,518 00	136,108 40	-	-	1,664,237 64
May	1,150,000 00	35,023 40	23,000 00	3,828 13	66,636 98	1,219 00	327,535 00	116,925 19	\$24,739 17	-	1,749,126 87
June	1,150,000 00	21,326 93	23,000 00	3,828 13	75,127 88	1,219 00	368,200 00	99,639 58	369 17	-	1,742,789 69
July	1,150,000 00	18,514 67	23,000 00	10,059 97	6,312 07	52,039 00	372,822 00	75,804 08	6,119 17	-	1,714,670 96
August	1,150,000 00	31,776 80	23,000 00	10,059 97	11,472 60	23,944 00	336,519 00	89,775 11	6,119 17	-	1,682,666 65
September	1,150,000 00	28,530 62	23,000 00	10,059 97	18,594 37	3,554 00	331,610 00	106,507 07	369 17	\$5,750 00	1,732,947 43
October	1,150,000 00	37,094 04	23,000 00	10,059 97	25,608 23	1,474 00	391,489 00	93,963 02	369 17	-	1,820,457 98
November	1,150,000 00	35,410 60	23,000 00	10,059 97	36,955 80	1,349 00	465,667 00	98,646 44	369 17	-	1,820,457 98
December	1,150,000 00	32,975 73	23,000 00	10,059 97	43,124 12	1,349 00	468,514 00	94,573 89	369 17	-	1,823,971 88

*Louisville Savings Institution.*LOUISVILLE SAVINGS INSTITUTION,
December 22, 1838.

The following answers are given to the interrogatories propounded to the officers of this institution by the committee of the Senate and House of Representatives of the Commonwealth of Kentucky:

Question 1. Has your institution complied with the second and third sections of the act, approved the 16th February, 1838, entitled "An act dispensing with quarterly, and substituting monthly statements, and providing for monthly balance-sheets to be lodged with the Secretary of State?"

Answer. We believe the law has been complied with, since the institution received advice of its passage.

Question 2. Will the reports of your institution to the Secretary of State exhibit the true condition of the institution at the close of each month, from the 1st of January, 1838, to 1st January, 1839? and if they will not, then exhibit such a statement in connexion with your answer to this question.

Answer. Yes.

Question 3. Has the business of your institution been conducted on good and safe securities?

Answer. Yes.

Question 4. What amount of bad debts have you made since your institution went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. The amount carried to the debit of profit and loss account, since the institution commenced business, is \$2,980 32, independent of the expenses of the institution, the amount paid for interest on special deposits, and the amount of the contingent fund.

Question 5. What amount of debts due your institution is considered doubtful?

Answer. Thirty-five dollars.

Question 6. Have the deferred debts in your institution been reduced in accordance with the terms on which they were deferred?

Answer. The institution has no deferred debt, unless the debts on accommodation notes are so considered. These, when not paid at maturity, have been reduced from ten to twenty-five per cent. on every renewal.

Question 7. Has that part of the capital employed in exchange yielded a greater profit than the part employed in direct loans? and, if it has yielded a greater profit, say how much, or what per cent.; and if not, then say why it has been employed in exchange?

Answer. It has yielded more. The exact difference it would be difficult to ascertain. A portion of the means of the institution is employed in exchange, to give greater facility to trade; and because this manner of employment affords a more punctual return of the money invested, as bills of exchange are not, like accommodation and other notes, expected to be renewed, or paid by instalments.

Question 8. Is there greater punctuality in paying bills of exchange than in paying notes discounted?

Answer. Yes.

Question 9. Has the institution, when applied to for a loan of money, ever refused by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. No.

Question 10. Has the institution purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but to be retained, and paid at the institution at maturity?

Answer. No.

Question 11. Has the institution ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. No.

Question 12. Has the institution discounted notes or bills of exchange, with an understanding that the amount was to be taken in notes of less value than the notes of the Bank of Kentucky?

Answer. The institution has sometimes paid the proceeds of discounted notes and bills in Kentucky, Cincinnati, Indiana, and Illinois bank notes, indiscriminately; sometimes specially, when these several descriptions of bank notes were received in payment of debts, and on deposit, at par.

Question 13. Why has your bank charged one-half of one per cent. exchange between different places in your State?

Answer. To cover the expenses of collection, and the loss of interest after payment, until the amount can be returned and made available.

Question 14. Why has your bank charged so high a rate of exchange on New Orleans, and other places in the south?

Answer. This institution, after the suspension in 1837, declined, until recently, the purchase of bills on the south, owing to the great depreciation of the southern currency. At present, the rate of exchange on New Orleans is about the same as it was before the general suspension of specie payments in 1837.

Question 15. Has your bank extended accommodations to citizens of your city and county, in preference to the citizens of other counties, where the notes or bills offered from such other counties were equally good?

Answer. No.

Question 16. Can you state and exhibit the aggregate amount loaned to citizens of Louisville and of Jefferson county, and the aggregate amount to citizens of other counties, separately?

Answer. Not conveniently. To the management of the institution, such an exhibit would be useless; and, as it was not anticipated that occasion might ever arise to make it necessary, the books were kept without any view to it. We think, however, that the amount loaned to persons residing out of the city is about one-tenth or one-twelfth part of the entire loans of the institution.

Question 17. Has your bank neglected to fill any vacancy in the directory of the bank; and if so, say why?

Answer. No.

Question 18. Has your bank regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if not, say why it was omitted.

Answer. Yes.

Question 19. Have you any suspended debt, and what amount; and has it been promptly and carefully attended to by your officers?

Answer. The institution has a suspended debt of thirty-five dollars, which is in suit for collection.

Question 20. We call your attention to the questions stated in the resolution of the Legislature, February, 1836-'37; and your answers thereto may be referred to by you as the answers to some of the foregoing questions.

Answer. The following statements furnish all the information (required by the resolution referred to) not embraced in the answers to the foregoing questions:

The stock of the institution is owned by 138 individuals and two incorporated companies.

During the present year, the institution has declared two dividends—one of six per cent., on the first Monday of January; and the other of five per cent., on the first Monday in July.

The amount of discounted bills of exchange returned protested during the present year, is \$9,432 89, all of which were taken up immediately on their return.

Classification of notes at present under discount in the institution.

60	are	\$100	and	less.	
289	are	from	\$100	to	\$500.
44	are	from	500	to	1,000
6	are	from	1,000	to	1,500
2	are	from	1,500	to	2,000
3	are	from	2,000	to	2,500
2	are	from	2,500	to	3,000
1	is	from	3,000	to	3,500

Total 407

G. W. MERIWETHER, *President.*
JONAS H. ROHRER, *Treasurer.*

STATEMENT

OF

THE LOUISVILLE SAVINGS INSTITUTION,

SHOWING

Its condition at the close of each month in 1838.

Table showing the condition of the Louisville Savings Institution, at the end of each month, from January 1, 1838, to December 25, 1838, taken from the weekly statements of the institution nearest the end of each month.

RESOURCES.

1838.	Bills discounted.	Bills of exchange.	Suspended debt.	Interest on deposits, and expenses.	Real estate.	Due from banks.	Due from superintendents on river.	Cash in transitu.	Specie.	Bank notes and Treasury notes.	Total.
January	\$145,921 67	\$40,461 32	\$150 00	\$80 88	\$10,000 00	\$37,091 40	\$2,412 55	\$4,981 01	\$151,343 59	\$27,335 00	\$419,086 41
February	151,595 15	48,806 64	150 00	416 23	10,000 00	36,148 62	1,326 57	4,981 01	145,281 03	16,785 00	415,893 32
March	147,868 23	51,524 49	150 00	509 13	10,000 00	20,979 31	6,326 57		159,018 42	69,380 00	465,776 15
April	137,286 40	51,345 35	150 00	1,041 93	10,000 00	36,613 45	6,326 57		163,805 12	100,200 00	512,808 82
May	138,327 34	48,144 04	150 00	1,756 99	10,000 00	34,225 87	17,630 07		203,547 09	55,408 00	509,189 40
June	139,954 23	51,280 67	150 00	1,846 92	10,000 00	23,120 58	48 00		250,636 32	36,900 00	514,045 73
July	141,946 69	54,736 32	150 00	1,423 65	10,000 00	23,077 37	48 00		177,589 65	32,760 00	500,741 68
August	147,479 28	49,824 34	150 00	1,345 45	10,000 00	59,362 13	93 50		20,480 79	61,400 00	356,105 49
September	140,290 85	52,833 73	150 00	1,505 15	10,000 00	56,014 20	41 00		36,130 60	55,575 00	352,400 53
October	131,653 29	74,917 68	50 00	3,353 55	10,000 00	50,998 26	41 00		57,961 82	78,950 00	406,925 01
November	134,622 00	85,791 48	35 00	2,463 68	10,000 00	43,254 34	41 00		74,880 58	75,000 00	425,427 08
December	129,957 03	80,683 02	35 00	2,627 40	10,000 00	46,648 12	41 00		129,108 49	162,100 00	561,199 12

LIABILITIES.

1838.	Capital stock.	Contingent fund.	Deposits at four per cent. interest.	Individual deposits.	Other deposits.	Profit and loss, and discount, exchange, and interest.	Unclaimed dividends.	Treasurer of the United States and public officers.	Due to banks.	Total.
January	\$104,736	\$15,700 40	\$32,827 93	\$113,906 62	\$5,444 00	\$2,958 19	\$1,902 79	\$116,568 94	\$24,632 54	\$419,806 41
February	104,736	15,700 40	32,217 93	116,039 40	5,710 50	4,542 38	843 67	120,497 16	15,596 88	415,893 32
March	104,776	15,715 40	31,442 93	143,350 98	7,10 50	6,045 83	560 73	97,839 52	65,344 26	465,776 15
April	104,812	15,720 80	45,502 93	140,247 52	1,641 00	7,254 95	303 13	149,605 16	47,633 39	512,808 82
May	104,812	15,720 80	44,822 97	161,504 85	3,281 79	11,019 62	308 13	135,436 24	29,193 04	509,189 40
June	104,882	15,731 30	42,720 47	165,413 59	4,281 75	12,246 80	292 01	138,368 59	30,149 22	514,045 73
July	104,904	15,734 00	42,160 72	149,971 24	4,115 75	6,683 79	169 91	160,499 72	14,501 95	500,741 68
August	104,940	15,740 00	39,222 13	136,898 86	1,039 75	8,430 47	984 21	29,451 91	19,108 16	356,105 49
September	104,940	15,740 00	41,992 13	73,305 90	932 00	9,724 00	785 91	86,010 54	17,780 05	352,600 53
October	104,940	15,740 00	44,377 13	85,170 12	4,332 00	11,130 91	749 41	117,078 07	23,347 37	406,925 01
November	104,940	15,740 00	41,663 13	93,568 22	527 79	12,630 42	720 11	132,297 02	23,349 85	435,427 08
December	104,940	15,740 00	41,152 13	86,482 82	527 79	14,013 23	658 71	379,274 04	18,410 40	561,199 12

Mechanics' Savings Institution of Louisville.

MECHANICS' SAVINGS INSTITUTION OF LOUISVILLE,
December 31, 1838.

The officers of the Mechanics' Savings Institution of Louisville respectfully make the answers following, to the several questions submitted to them by the honorable the committee of the Senate and House of Representatives of Kentucky:

Question 1. Has the Louisville Mechanics' Institution complied with the 2d and 3d sections of the act, approved the 16th February, 1838, entitled "An act dispensing with quarterly, and substituting monthly statements, and providing for monthly balance-sheets to be lodged with the Secretary of State?"

Answer. Monthly statements have been transmitted to the Secretary of State, though not regularly, under the impression that they would not be required until the meeting of the Legislature.

Question 2. Will the reports of your bank to the Secretary of State exhibit the true condition of said bank at the close of each month, from the 1st January, 1838, to the 1st January, 1839? and if they will not, then exhibit such a statement in connexion with your answer to this question.

Answer. The returns, as made, do show, as we believe, the true condition of the institution.

Question 3. Has the business of the bank been transacted on good and safe security?

Answer. Yes; we consider them entirely so.

Question 4. What amount of bad debts have you made since you went into operation; and what amount of bad debts has been carried to the account of profit and loss, and what other sums have been carried to said account?

Answer. It is believed that no bad debts have been made; none have been taken to account of profit and loss.

Question 5. What amount of debts due your bank is considered doubtful?

Answer. We do not consider any debt due to the institution at all doubtful; in this, however, we may be mistaken. The notes due are generally small in amount—say from \$25 to \$300; very few over the latter sum, excepting stock notes, and notes consolidated for renewal.

Question 6. Have the deferred debts in the bank been reduced in accordance with the terms on which they were deferred?

Answer. There are no deferred debts due to the institution.

Question 7. Has that part of the capital employed in exchange yielded a greater profit than the part employed in direct loans; and if it has yielded a greater profit, how much, or what per cent.; and if it has not, why has it been employed in exchange?

Answer. The institution has done but little exchange business, not having, at any one time, an amount over \$20,000 on account of exchange, which has yielded a greater profit than by direct loan; what per cent. over, it is difficult to say with certainty.

Question 8. Is there greater punctuality in paying bills of exchange, than in paying notes discounted?

Answer. From the experience we have had, we are inclined to believe that bills of exchange are met fully as promptly, if not more so, than notes

discounted; only one bill having ever been returned unpaid, and that promptly taken up.

Question 9. Has the bank, when applied to for loans of money, ever refused it by way of discount, and given it on bills of exchange, for the sake of the exchange over and above the interest?

Answer. We know of no case of an individual being refused accommodation by regular discount, and afterwards accommodated by bill of exchange.

Question 10. Has the bank purchased bills of exchange, and taken off the interest and exchange, with an understanding that the bills were not to be sent for collection, but to be retained and paid at the bank at maturity?

Answer. No.

Question 11. Has the bank ever taken a greater rate of interest than one per cent. for every sixty days?

Answer. The institution has charged interest only as is allowed by the 9th section of the act of its incorporation, according to the rules laid down in Rowlett's Table of Interest.

Question 12. Has the bank discounted notes, or bills, with an understanding that the amount was to be taken in notes of less value than the notes of the Bank of Kentucky?

Answer. No bank notes have been paid out on account of bills discounted, or for the purchase of bills of exchange, but such as were received on deposit and for the payment of debts, at par with the notes of the Bank of Kentucky.

Question 13. Why does your bank charge one-half of one per cent. exchange between different places in your own State?

Answer. Because of the risk and expense of remittances, and of the length of time that such funds are often not available.

Question 14. Why has your bank charged so high a rate of exchange on New Orleans and other places in the south?

Answer. We have purchased no exchange upon New Orleans, or any other place in the south.

Question 15. Has your bank extended accommodations to the citizens of your city and county, in preference to the citizens of other counties, when the notes and bills offered from such other counties were equally good?

Answer. The institution has made no such distinction.

Question 16. Can you state and exhibit the aggregate amount loaned to citizens of Louisville, and the aggregate amount to citizens of other counties, separately?

Answer. Not more than a half a dozen applications, if that, have ever been made to this institution, for loans, by persons residing out of the city.

Question 17. Has your bank neglected to fill any vacancy in the directory of the bank; and if so, say how long the vacancy was suffered to exist, and why?

Answer. We remember of no vacancies having occurred.

Question 18. Has your bank regularly counted the cash, and examined the bonds of the officers, as required by your charter? and if you have not, say why it was omitted.

Answer. We have regularly counted the cash and examined the bonds of the officers.

Question 19. Has your suspended debt been promptly and carefully attended to by your officers?

Answer. It has.

Question 20. Your attention is called to the resolution of the Legislature of 1837; and your answers to that resolution, so far as they are a reply to the foregoing questions, may be referred to by you as your answer to that extent.

Answer. In answer to this question, we make the following statement, which, in addition to the foregoing, and our monthly reports, we believe to be all that is required by the resolution referred to. The stock of this institution is owned by one hundred and forty-eight persons, none but one of whom own over \$2,000 of stock. The institution has declared four dividends since it went into operation—three of four per cent., and one of three per cent.

Classification of notes at present under discount in the institution.

297 notes of	\$100 and under.
519 "	from 100 to \$500.
15 "	from 500 to 1,000.
1 "	from 1,000 to 1,500.

332 notes due by 378 individuals as principals.

S. GWATHMEY, *President.*
H. S. JULIAN, *Treasurer.*
JESSE CHRISTIE, *Secretary.*

STATEMENT

OF

THE MECHANICS' INSTITUTION OF LOUISVILLE,

SHOWING

ITS CONDITION AT THE END OF EACH MONTH,

DURING THE YEAR 1838.

Table showing the condition of the Mechanics' Savings Institution of Louisville, at the end of each month, from the 1st of January, 1838, to the 1st of January, 1839, taken from the weekly statements of the institution nearest the end of each month.

RESOURCES.

Date.	Bills dis- counted.	Bills of ex- change.	Interest and expense ac- count.	Real estate.	Due from banks.	Due from Treas- ury city of Louisville.	City of Louis- ville sinking fund.	Bank notes and silver.	Total.
January	\$133,475 70	-	\$614 30	\$5,367 60	-	\$314 73	-	\$27,589 08	\$107,891 41
February	140,789 80	-	818 57	5,367 60	\$738 90	415 13	-	25,631 41	173,022 51
March	143,735 08	\$911 98	965 39	5,367 60	288 41	-	-	20,073 92	171,792 17
April	138,563 11	2,513 61	1,265 00	5,367 60	288 41	-	-	25,903 67	173,869 40
May	137,853 06	2,897 25	1,293 54	5,367 60	163 41	1,308 83	-	23,473 58	172,357 27
June	146,228 20	4,678 66	1,498 03	5,507 35	-	2,422 14	-	46,494 24	206,828 61
July	139,762 01	6,385 76	772 69	5,507 35	670 00	463 56	-	25,056 61	178,257 89
August	140,632 04	7,820 85	976 76	5,607 35	600 55	632 16	-	20,318 42	176,657 13
September	145,254 99	8,226 92	1,163 46	5,734 75	1,391 66	907 73	\$191 53	29,259 08	192,736 12
October	143,323 82	11,185 37	1,467 26	10,355 91	2,415 99	702 38	-	33,704 53	203,355 26
November	144,088 60	15,251 12	1,851 36	11,291 16	4,095 36	1,478 61	-	26,580 01	204,549 25
December	145,845 39	20,415 11	2,006 55	12,118 96	5,513 09	1,137 41	-	40,426 65	227,433 16

LIABILITIES.

Date.	Capital stock.	Special depos- ites at inter- est.	Individual transient deposits.	Weekly de- posites.	Discounts and premit- ums.	Due to banks.	Due Treas- ury city of Louisville.	Unclaimed dividends.	City Louis- ville sink- ing fund.	Total.
January	\$82,850 00	\$8,762 09	\$12,241 23	\$914 00	\$1,349 87	\$20,557 12	-	\$1,613 51	-	\$67,891 41
February	82,850 00	9,580 68	53,613 61	1,142 00	1,902 67	22,531 51	-	1,472 01	-	173,022 51
March	82,850 00	13,787 68	41,191 67	1,311 00	2,623 43	21,146 74	\$3,520 14	1,316 51	-	171,792 17
April	82,850 00	15,527 68	42,326 80	1,493 00	2,919 60	26,787 33	883 48	1,023 51	-	173,869 40
May	82,850 00	14,574 68	47,338 12	1,637 00	4,237 63	26,126 53	-	1,414 12	-	172,357 27
June	82,850 00	14,371 58	77,774 91	4,615 00	5,088 82	29,711 18	-	1,491 37	\$2,295 25	206,828 61
July	88,200 00	14,571 66	45,830 18	875 00	519 41	23,745 07	-	1,405 87	3,321 90	178,257 89
August	88,200 00	21,099 58	32,220 01	1,013 00	1,078 83	28,235 91	-	1,410 37	-	176,657 13
September	88,200 00	22,271 58	45,470 48	1,168 00	1,906 46	32,309 23	-	1,350 37	1,529 72	192,736 12
October	87,325 00	23,291 58	69,557 88	1,368 00	3,231 52	24,584 18	-	1,350 37	-	203,355 26
November	87,825 00	22,151 00	49,975 32	1,643 00	4,088 92	33,920 84	-	1,335 12	3,698 05	204,549 25
December	87,975 00	23,126 00	69,921 12	4,402 00	4,873 03	26,124 61	-	871 87	10,199 53	227,433 16

The Louisville Gas and Water Company.

OFFICE LOUISVILLE GAS AND WATER COMPANY,
December 24, 1838.

A GENTLEMEN: Your favor of the 23d instant, enclosing questions in relation to this institution, is received; to which I have the pleasure to hand you the following answers:

Question 1. What amount of stock has been subscribed by the city of Louisville?

Answer. 4,000 shares.

Question 2. What amount of stock has been subscribed by individuals and corporations other than the city of Louisville?

<i>Answer.</i> Individual subscribers	-	-	2,500	shares
By the Marine and Fire Insurance Company	-		200	"
By the Firemen's	"	"	200	"
By the Franklin	"	"	100	"

In the aggregate	-	-	3,000	
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Question 3. When were the books of subscription closed, and when the first board of directors chosen?

Answer. The books of subscription were closed July 24, 1838, and the first board of directors chosen August 3, 1838.

Question 4. What payments has the city made on her stock, and what payments has she yet to make?

Answer. The city of Louisville executed her bonds for \$200,000, bearing interest at 6 per cent. per annum, in payment of her subscription to the extent of 2,000 shares; the residue of her stock to be paid for by applying the excess of her dividends, first discharging the interest on her bonds.

Question 5. What payments have the other stockholders made, and what payments have they yet to make on their stock?

Answer. Three instalments of \$5 each are due, and paid by the other stockholders (with a very few exceptions); a fourth instalment of \$5 will fall due January 24, 1839; the residue (say 80 per cent.) is payable in 10 per cent. calls, each July and January thereafter, until the entire stock is paid, which requires four years from January, 1839.

Question 6. What use will the company be able to make of the city bonds taken, and to be taken, in payment of city stock?

Answer. The present order of the board is to hypothecate the bonds on a loan of money, if to be had; they are, as yet, held as a 6 per cent. fund by this institution.

Question 7. When did the company commence operations as a banking company?

Answer. On Monday, the 26th day of November, confining their business to the purchase of bills of exchange and bank-note exchange.

Question 8. What step have the company taken to commence the work of lighting the city of Louisville with gas?

Question 9. Has the company had a plan of the proposed gas-works made out, and an estimate of the cost; and if so, what is the estimated cost?

Answer. In reply to these interrogatories, I take pleasure in stating that this branch of the subject has been looked upon with peculiar interest by this institution; accordingly, the first order of the board was to direct the president to open a correspondence with such persons in Philadelphia, New York, or Boston, as would most likely afford the best information as to the best mode of establishing gas-works in this city. In conformity with said order, I instituted a correspondence with gentlemen at the places above named, all of which were not in a very satisfactory manner; and, without a dissenting suggestion, all concur in referring to the projector of the Philadelphia gas-works, as the most desirable person in our country to undertake such a work. I accordingly addressed S. V. Merrick, Esq., of Philadelphia, to know if he would undertake the work; in his reply, I have his promise to undertake the work, and that he will be with us in time to give an early start in the coming spring. No estimate can be made of the costs of the work until the location is made, from which to commence a survey; nothing further can be done until the arrival of Mr. Merrick, to whose superintendence the work will be submitted, and in whom this community have the highest guarantee of a satisfactory result.

Question 10. Will the payments from individual stockholders be sufficient to construct the gas-works within the three years, without selling the city bonds?

Answer. The payments on stock due in the month of January, and already made, amount to \$60,000; every dollar of which, from the character of the stock-list, will be promptly paid. On the 1st of July and January, successively, thereafter, will be due a further sum of \$30,000, making an increase of \$60,000 annually; which, I conceive, will be more than sufficient to meet all the disbursements in the erection of the works.

Question 11. What number of officers has your company, and what the aggregate of their salaries?

Answer. A president, cashier, and one clerk, are all the officers now employed by the institution; the aggregate salaries of the two latter are \$2,700. No salary as yet allowed the president.

Question 12. What will be the salary of your chief engineer, and what the salary of the assistant?

Answer. The professional services of the engineer is fixed at \$3,000, and travelling expenses, for the superintendence of the entire work. No fixed sum for the immediate superintendent is determined upon.

Question 13. What is the rent of your banking-house, and what is the estimated amount of your incidental expenses?

Answer. The building occupied is the property of the institution, purchased for the sum of \$30,100; repairs and fixtures will increase the sum to about \$33,000, interest on which is \$1,980; from which deduct \$1,100 for rents of a portion of said property not occupied by the institution, and there remains \$880, and taxes, &c., to be paid by the institution; which sum is expected to be still further reduced, so soon as the whole property can be placed in a tenable condition.

Incidental expenses may be placed at \$400 to \$500 per annum.

Very respectfully, your obedient servant,

L. L. SHREVE, President.

Messrs. GUTHRIE and TRIMBLE, Committee.

U 2.

State of the Bank of Kentucky, and branches, on the 15th of October, 1839.

LIABILITIES.		RESOURCES.	
Capital stock		Bills discounted	\$3,735,418 86
Notes in circulation	\$4,699,305 00	Bills of exchange	1,513,185 58
Individual deposits	1,916,286 00	Suspended debt	76,879 18
Due to other banks	391,281 90	Real estate	60,157 46
Due Bank of United States, 4th of March, 1840	581,113 31	State and city bonds	1,605,000 00
Due D. Kurts, distributing agent	275,000 00	Due by other banks	396,997 16
Due treasurer of the State, Louisville	3,750 00	Suspense account	1,009 71
Due commissioner of sinking fund	23,040 04	Treasurer of State, at Frankfort	28,838 63
Due district and circuit courts of the United States	21,220 15	Bank checks	29,207 38
Due board of education	1,363 83	Exchange account	14,450 46
Dividends unpaid	1,210 00	Interest account	12,097 89
Discounts received	9,639 68	Specie on hand	\$469,962 99
Premiums on exchange	55,781 37	Notes of other banks	184,827 24
Contingent fund	43,197 23		
Real estate fund	100,000 00		
Profit and loss	5,000 00		
	\$44 03		
	8,128,032 54		8,128,032 54

Statement showing the liabilities of the bank on the 18th of May, 1837, and 15th of October, 1839, exclusive of stock.

	May 18, 1837.	October 15, 1839.	
Notes in circulation	\$1,469,040 00	\$1,916,286 00	On the 18th of May, 1837, the amount of liabilities of the bank, exclusive of stock, amounted to
Individual deposits	549,299 70	391,281 90	
Treasurer of United States	897,378 32	23,040 04	On the 15th of October, 1839, they amounted to
Treasurer of the State	3,763 16	21,220 15	
Commissioners of sinking fund	502,924 17	581,113 31	
Due to other banks	444,181 97	275,000 00	
Due Bank of United States	825,000 00	15,963 51	
Other liabilities	-	-	
	4,691,587 32	3,223,904 91	Reduction of liabilities
			1,467,682 41
			\$4,691,587 32
			3,223,904 91

Statement showing the amount of bills discounted, bills of exchange, and other means of the bank, on the 18th of May, 1837, and the 15th of October, 1839.

	May 18, 1837.	October 15, 1839.	
Bills discounted	\$3,899,888 43	\$3,735,418 86	Bills discounted, and bills of exchange, on the 15th of May, 1837, amounted to
Bills of exchange	1,912,460 52	1,513,185 58	
Suspended debt	-	76,879 18	Bills discounted, bills of exchange, and suspended debt, on the 15th of October, 1839
State and city bonds	1,080,000 00	1,605,000 00	
Real estate	50,138 00	60,157 46	
Due by other banks	714,060 41	396,997 16	
Treasurer of the State	-	28,838 63	
Specie on hand	634,518 93	469,962 99	
Notes of other banks	586,942 22	184,827 24	
Bank checks	276,939 69	29,207 38	
	9,154,948 20	8,100,474 48	Reduction
			486,865 33
			\$5,512,348 95
			5,325,483 62

GEORGE C. GWATHMEY, Cashier.

U 3.

Statement of the condition of the Louisville Savings Institution on the 8th of October, 1839.

RESOURCES.

Bills discounted on personal surety	-	-	-	\$111,720	05
Bills on stock of institution	-	-	-	1,500	00
Bills of exchange	-	-	-	74,355	05
Suspended debt	-	-	-	8,645	00
Banking-house and lot	-	-	-	10,000	00
Expense account	-	-	-	1,041	22
Interest paid on deposits	-	-	-	362	01
Protest account	-	-	-	30	77
Due from superintendent of improvements on the Cumberland river	-	-	-	1,000	00
Due from banks for collections	-	-	-	67,644	70
Specie and Treasury notes	-	-	-	92,837	63
Bank notes and change	-	-	-	62,934	00
				<u>432,100</u>	<u>43</u>

LIABILITIES.

Capital stock	-	-	-	\$105,045	00
Contingent fund	-	-	-	26,262	00
Unclaimed dividends	-	-	-	541	79
Profit and loss, exchange and interest, and discount accounts	-	-	-	7,102	25
Special deposits, without interest	-	-	-	2,435	66
Special deposits, at 4 per cent. interest	-	-	-	36,671	15
Individual deposits	-	-	-	64,116	02
Treasurer United States and public officers	-	-	-	157,236	97
Due to sundry banks for collections	-	-	-	32,653	59
				<u>432,100</u>	<u>43</u>

The undersigned have examined the affairs of the Louisville Savings Institution, by counting the cash on hand, inspecting the bills receivable, and a list of the bills of exchange, and the balances due to and from the institution, and find the above account correct. The bills receivable are in small sums, well secured and distributed; the bills of exchange are on available points, and well secured. The suspended debt is protested bank checks, on which, it is believed, there will be no ultimate loss; and the condition of the institution is sound and healthy, and, as such, we recommend it to the continued confidence of the public.

NATH'L. HARDY,
DAVID L. BEATTY,
JAMES GUTHRIE,
ALEX. HARRISON,

Committee of Stockholders.

DAVID HERAN,
GEO. W. WEISSINGER,
GEO. STEWART,

Committee of Depositors.

U 4.

Statement of the condition of the Northern Bank of Kentucky and branches, on the 31st December, 1839.

RESOURCES.

Bills discounted	-	-	-	\$2,032,805	84
Bills of exchange	-	-	-	1,485,807	25
Suspended debt on notes and bills of exchange	-	-	-	66,500	86
Bonds of the State of Kentucky	-	-	\$755,000	00	
Bonds of the city of Lexington	-	-	35,000	00	
			<u>790,000</u>	<u>00</u>	
Due from Treasurer of Kentucky	-	-	-	7,815	50
State of Kentucky, for interest on bonds	-	-	-	27,500	00
Real estate, (banking-houses)	-	-	-	72,345	50
Protest account	-	-	-	110	06
Due from banks	-	-	-	554,729	48
Notes of other banks	-	-	250,278	00	
Gold and silver	-	-	504,660	64	
			<u>754,938</u>	<u>64</u>	
				<u>\$5,792,553</u>	<u>13</u>

LIABILITIES.

Capital stock	-	-	-	\$2,954,810	00
Circulation	-	-	-	1,729,013	00
Due to banks	-	-	-	548,083	67
Due to General Government officers	-	-	-	5,585	72
Due to Governor of Kentucky	-	-	-	83	35
Due to individual depositors	-	-	-	292,739	11
Unclaimed dividends	-	-	-	3,509	48
Contingent fund	-	-	-	63,260	00
Profit and loss	-	-	-	165,468	80
				<u>\$5,792,553</u>	<u>13</u>

Notes in circulation, as per foregoing statement - \$1,729,013 00
Deduct amount on hand at principal bank and branches 158,880 00

In actual circulation - \$1,570,133 00

The directors have this day declared a dividend, (as required by law,) out of the profits of the bank, of 4½ per cent.

M. T. SCOTT, Cashier.

JANUARY 6, 1840.

U 5.

Message of Lieutenant Governor Wickliffe in relation to the fraudulent sale of Kentucky Bank stock.

EXECUTIVE OFFICE, January 1, 1840.

Gentlemen of the Senate and of the House of Representatives :

Since your adjournment on the 20th ultimo, intelligence of a most extensive fraud committed upon the Bank of Kentucky, by the transfer stock agent of the bank at Philadelphia, has been communicated to me; the particulars of which, so far as I have been enabled to collect them, I feel it a duty to lay before the Legislature at this time.

By the 26th section of the charter of the Bank of Kentucky, the stock was declared personal property, and made "assignable and transferable only in such manner, and at such place or places, as the president and directors of the principal bank shall, by their by-laws, prescribe." Under this power it seems that the Schuylkill Bank at Philadelphia, or the cashier thereof, was, by the parent board, constituted the stock agent of the Bank of Kentucky. What were the extent of the powers of this agent, or in what manner his duties in keeping the stock book of the bank in Philadelphia were defined, I am uninformed by the Bank of Kentucky.

It appears, now, that this agent has issued, since the whole amount of stock was subscribed, certificates of shares in the stock of the bank, to the amount of one million three hundred thousand dollars, beyond the amount of three millions which individuals were allowed to subscribe for and hold, and converted the proceeds to his own use, or to the use of the Schuylkill Bank.

This fraud, it is said, had its commencement as early as 1837 or 1838, and was continued up to the latter end of 1839, without the knowledge or suspicion of the president and directors of the Bank of Kentucky.

A desire to place before the Legislature correct information upon this subject induced me to address to the cashier of the Bank of Kentucky, in the absence of the president, the letter, a copy of which, together with his answer to the same, is herewith sent.

The effect of this fraud upon the value of the stock was manifested by an instantaneous and ruinous decline in the eastern market. Whether the loss will ultimately fall upon the stockholders of the bank, is a question upon which I am unable, at this time, from a want of a full knowledge of all the facts, to express an opinion.

I feel myself justified in assuring you, and through you my fellow-citizens, that, whether the loss shall fall upon the stockholders of the bank, or upon the purchasers or holders of these spurious shares, the holders of the notes of the bank in circulation are in no danger of sustaining a loss from this over-issue of stock. Should the loss fall upon the stock, the ability of the bank to meet her debts and liabilities to the community is unimpaired. The notes and debts of the bank must be first paid, before the stockholders can claim to be refunded their stock.

It is important, at the present crisis, to quiet, as far as may be practicable, any public apprehension which may exist upon this subject.

The president of the bank, upon being informed of the conduct of the agent, immediately started for Philadelphia to investigate the subject, and

to adopt the measures which the interest of the bank seemed to require. The important question, whether the loss occasioned by this fraud is to be sustained by the holders of the spurious shares, or by the bank, is one of vital interest to Kentucky. She now is, directly and indirectly, the owner of twenty thousand one hundred and thirty-four shares of the capital stock, equal to \$2,013,400, at the original cost. It has occurred to me that this interest is of sufficient magnitude to induce the representatives of the people to authorize the employment of some eminent jurist of the State, as her agent, to proceed forthwith to Philadelphia, to aid the president of the bank in his investigations of this subject, but more particularly to superintend the interest of the Commonwealth involved in this transaction. Should you concur with me upon this subject, as speedy an action upon it by the Legislature as its importance will allow would be desirable.

I feel anxious that the privileges of the banks of Kentucky shall be restored to them, (if their conduct in the management of their affairs shall, in your opinion, as I hope it will, justify it,) with as few innovations upon their original chartered rights as may be consistent with a sound public policy. Nevertheless, I should prove recreant to the public interest, if, with the sad experience before me, I failed to urge upon the Legislature a modification of their charters, so far as they vest a power in the president and directors, under their by-laws, to establish agencies for the transfer of stock; the shares should be made transferable upon the books of the bank, and nowhere else.

With sentiments of respect, your fellow-citizen,

C. A. WICKLIFFE.

Letter from Lieutenant Governor Wickliffe to Mr. Gwathmey, cashier of the Bank of Kentucky.

EXECUTIVE DEPARTMENT,

December 27, 1839.

DEAR SIR: I have been anxiously expecting a communication from your bank for the last two days, giving some information upon the subject that has created so much excitement in the public mind—the issuing of spurious stock of the Bank of Kentucky, by the agent at Philadelphia.

The deep interest which the State has in the bank, and the amount of funds vested in the stocks of this bank during the years 1838 and 1839, by the sinking fund commissioners, impel me to request from you all the facts of which you are possessed upon this subject, as early as possible. It is a subject of such public importance, that it may become my duty to make it the subject of a special message at the meeting of the two Houses on the 1st January. I therefore desire to be as fully informed as it is possible for you to do so—particularly what were the powers of this agent, and in what manner he perpetrated the fraud so long, without its being detected by the bank; the amount of the over-issue; and whether it is possible to distinguish between these spurious and the genuine shares, and how? &c. Your early answer is desired.

Very respectfully, yours,

C. A. WICKLIFFE,
Lieutenant Governor.

GEORGE C. GWATHMEY, Esq.,
Cashier Bank of Kentucky, Louisville.

Mr. Gwathmey's reply to Lieutenant Governor Wickliffe.

BANK OF KENTUCKY,
Louisville, December 28, 1839.

DEAR SIR: I have the honor to acknowledge the receipt of your letter of the 27th instant, requesting information in relation to the false issues of stock certificates of this bank, at its agency, the Schuylkill Bank, Philadelphia, by H. J. Levis, the late cashier. A communication to your excellency on the subject has been deferred, in the hope and hourly expectation of receiving further and more circumstantial accounts of the fraud than what have been communicated in letters from Philadelphia, which were written just at the moment when the developement was made, or shortly after it. Those letters afford but little information in addition to the statements published in the papers of the day; I consequently have to regret that, in complying with your request, I have (owing to the continued failures in the arrival of the eastern mails) so little satisfactory information to communicate on this momentous subject. Having received anonymous and confidential letters prejudicial to the Schuylkill Bank, the necessary steps had been taken by this bank for the removal of the agency; and on this day week, near the time when we had reason to expect its consummation, letters were received from a number of Philadelphia friends, giving the overwhelming intelligence that Levis had owned to the issue of 10,800 false certificates. In subsequent communications, the number is increased to 13,000; Levis, we are informed, avers to the former number. The transfer clerk states that this work of fraud commenced in 1838, and continued to May last, when he left the Bank of Schuylkill. To what extent the spurious and genuine stocks have become mixed, or how the transfer books have been kept, we are as yet uninformed. The returns or reports of stock from the Schuylkill Bank to this bank have been satisfactory; and, but for the anonymous and confidential communications alluded to, no circumstance had occurred to induce suspicion of impropriety on the part of the Schuylkill agency. The statements made by the agencies in New York and Philadelphia, of the number of shares on the books of their respective agencies, preparatory to the July dividend, when compared with the number of shares on the books of this bank, showed the united number to correspond with the whole number of shares held by individuals, companies, &c., in the Bank of Kentucky. These statements, with such as had been previously furnished, all producing the same result, is evidence sufficient that Levis knew, by the manner of keeping his books, or by some other means, how many genuine shares ought to be on his books; because this bank and the New York agency were checks upon him, and he was apprized of the fact that a difference of one share would have led to an investigation. The agent, in accordance with the custom in reference to the duties assigned, issued certificates to the stockholders on his books, after full payment of their stock was made, and issued other certificates in cases of transfer, taking in the original certificate. Our friends in Philadelphia, immediately on the discovery of the fraud, employed eminent counsel for the bank; an injunction for the Bank of Kentucky was granted, and served on the Schuylkill Bank. Levis has made a transfer of his property, securing first his bondmen; \$20,000 of borrowed money, and the balance of his estate to his creditors; and I notice in a paper of the 21st, from Philadelphia, that he has gone to Europe in the Liverpool. The agency books are still in th

Schuylkill Bank; they were refused on the 17th, on the application for their removal, as advised by the president of the Bank of the United States. Mr. Pope, the president, is in or near Philadelphia at this time, if no accident has happened to him; he left the day after receiving intelligence. I close this communication with an assurance to your excellency that information will be promptly given of the further developements that may be made of the most mysterious, stupendous, and infamous fraud on record.

I am, most respectfully, your obedient servant,

GEO. C. GWATHMEY.

His Excellency C. A. WICKLIFFE,
Frankfort, Kentucky.