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## MAINE.

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*Extracts from Governor Fairfield's message to the Legislature of Maine, January 3, 1840.*

The subject of the currency is one of general and absorbing interest, and indeed may be said to affect, more or less, the business and interests of every man in the community. And however we may differ as to the best means of securing a sound currency, all will agree that an unsound and unstable one is a curse to any country in which it exists. How it has been in our own country, we all know from bitter experience. The wonderfully rapid transitions from abundant plenty to extreme scarcity that we have so frequently witnessed, producing a corresponding change in the value and prices of property, while they astound those who are uninitiated in the mysteries of banking, are ruinous to the regular business and pursuits of all. And what else can rationally be expected? When bank bills constitute the currency of a country, and it rests in the decision of a few individuals who are not directly amenable to the public, and who are actuated by like motives and passions, and governed by like interests with other men, whether money shall be plenty or scarce, it would be unreasonable to expect to be exempt from constant if not ruinous fluctuations. I would not be unjust to banks, any more than I would to individuals. If they have rights, let them be scrupulously respected. If they are under obligations, let their performance be rigidly exacted. Without, therefore, seeking to destroy, I would contend for such a regulation and control of them as to prevent, if possible, a recurrence of the evils alluded to. They should not have the power, as they now have, incidentally, by the natural operation and effect of banking, to exclude all specie from circulation; and to force an entire, and often a depreciated paper currency upon the community. A portion at least of the currency should be beyond their control, and emphatically in the hands of the people; then, notwithstanding a sudden contraction of loans, and a reduction of their circulation by the banks, the community will not be left destitute of a circulating medium, nor the streams of business nearly dried up. One mode of effecting this, to some extent at least, is to prohibit the issue and circulation of bank bills of a small denomination. When these are withdrawn, the channels of circulation immediately become filled with silver and gold; and the circulation once established, continues and becomes permanent from the very nature of the case and the necessities of business. So far as my knowledge extends, this was the operation of the restraining law of 1835, and was only interrupted by the suspension of specie payments by the banks. Prior to that event there was no want of silver. The small bills disappeared, and their place was supplied with specie by a process so gentle that the change was scarcely perceptible while going on, and affected no interests in the community, not even those of the banks themselves, but for good. That such would be the effect again, under similar circumstances, I have no doubt. With these views, therefore, I cannot hesitate to recommend a renewed attempt, now

or hereafter, as may be deemed best, to effect the design of the law alluded to. No laws, however, can be effective, unless sustained by public opinion, especially one of this character. Whether, therefore, the present is or is not the best time to attempt its revival—whether it should at all embrace so many bills of a small denomination—or whether all its provisions are judiciously adapted to the end proposed, are questions which your own experience, and the knowledge you bring with you, from all parts of the State, of the views and wishes of the people, will enable you to decide satisfactorily.

In general I have not deemed it expedient, in my communications to the legislature, to discuss political questions, however important they might be, when they had no connexion with the business legitimately coming before you; and it is without an intended departure from the rule that I allude, by way of fortifying the views just expressed, to the prospect that an important change is about to be effected in the financial operations of the general government, and consequently, though indirectly, in the currency of the country. "The independent treasury system," judging from the elections and other strong indications, after an opposition able, long continued, and fierce, seems happily to have received the approbation of the people, and is probably about to be adopted as the established policy of the country. This contemplates, by a gradual change from the present system, a payment of all dues to the national government in silver and gold. The disbursements of the government being also made in the same currency, will infuse a larger portion of the precious metals into the circulating medium, and thus afford essential aid to the States disposed to restrain the issue and circulation of small bills in carrying into effect laws enacted for that purpose. If, in addition to this, we consider that our own banks will undoubtedly adhere to their honorable and commendable policy of maintaining specie payments, there can be no reason to doubt that specie may be easily and abundantly obtained by the people to supply the place of small bills.

COUNCIL CHAMBER, January 3, 1840.

JOHN FAIRFIELD.

*Extracts from the report of the treasurer of the State of Maine to the General Assembly, January 4, 1840.*

The excessive use to which the credit system has been pushed in this country recently by all classes—by individuals, merchants, bankers, banking institutions, and other corporations, by some of our towns, cities, and many of the States of the Union—has produced a revulsion and prostration in the business of the country greater than hitherto known or experienced. Will not the check in this rapid career of contracting debts afford Maine a wholesome salutary lesson, and teach its legislature to exercise due caution in its future expenditures? It is hoped it will.

It is a source of pride and gratification to the treasurer that, amidst the unprecedented pressure in the money market since the close of May, when the disastrous news from England reached New York city, he has been enabled to raise no inconsiderable amount of money upon our State's stock

at par, while merchants of the first standing in our principal commercial cities have paid three to five per cent. per month for its use; and the post notes of the United States Bank of Pennsylvania have sold at the rate of fifteen to thirty per cent. per annum, and other stocks which flood our country markets have been equally depressed; yet he is authorized to state that no individual or institution *out of Maine* has procured of him, directly or indirectly, one dollar of our stock below par. Although hard pressed for money since July to meet his engagements at home and abroad, especially in Boston, where he has paid about \$120,000 since the 1st day of May, he refused to delegate the faith and ability of Maine to the low standard of the United States Bank *promises*. He is aware that his tenacity of the credit of Maine has disappointed claimants at home, and not gratified the avarice of capitalists abroad.

Had he raised funds to the extent of expectation at home, by selling our stocks at ten to twenty per cent. below their par value, as exacted by capitalists and bankers abroad, would the *standard of the credit of the State* have been raised at home or abroad?

JEREMIAH GOODWIN,  
Treasurer of Maine.

*Extract from Governor Kent's address to the Legislature of Maine, January 15, 1841.*

No combination or action of individuals can give us a safe, sure, and well-regulated currency, equal to the wants of the people, based upon solid capital, uniform in value and adequate in amount, to meet the demand of the natural and healthy business of the country. Experience has fully demonstrated that a separation between the government and the people, in the vital matter of currency, is equally unjust and impracticable; that the sovereign power is not justified in demanding its own exactions in the precious metals, and in abandoning all care or thought for the great interests of the people, leaving them to struggle with a depreciated, unsafe, and unregulated currency. The idea of separate, and even opposite interests, between a republican government and the people who created and sustain it, has been so often repudiated and rejected that we confidently believe that juster views and more liberal principles will hereafter be the basis of political action.

EDWARD KENT.

COUNCIL CHAMBER, January 15, 1841.

*To the Senate and House of Representatives:*

I herewith transmit for your consideration the report of William Willis, Esq., one of the bank commissioners, in relation to the condition of the Washington County Bank, at Calais, made in pursuance of an order from the governor and council of the 16th instant. Having in former communications expressed my views upon the policy and expediency of taking decided and effectual measures to suppress and prevent evils threat-

ened and endured, I can only at this time reiterate the recommendation, when submitting to you this new evidence of the necessity of such a course to preserve the credit of the State, and of solvent and properly managed institutions.

EDWARD KENT.

COUNCIL CHAMBER, February 23, 1841.

REPORT TO THE GOVERNOR AND COUNCIL—FEBRUARY 23, 1841.

Having received your instructions of the 16th instant, to examine the condition of the *Washington County Bank*, I immediately proceeded to execute the commission. Mr. Crosby, my colleague, was prevented by sickness in his family from accompanying me. I now submit to you the result of my examination.

The *Washington County Bank* was established in 1835, during a period of temporary excitement; when every kind of business was stimulated to excess. There was no surplus capital in the place to invest, nor did the wants of the people require another institution there. The person who was most influential in establishing it became the owner of more than *three-fifths* of its capital stock, held in the names of himself and his friends, and subsequently by far the largest debtor of the bank, being liable for over *four-fifths* of the amount of its capital, and over *two-thirds* of its whole loan. This person being president of the bank, and having a control over all its affairs, made such directors as he chose, and managed the institution in the manner he saw fit. These relations continued until last November. It must be apparent to every one that an institution thus situated would never succeed. It had nothing to bank upon; its whole capital was in dead stock, and it was almost entirely indebted to the limited circulation it could maintain for the business it has been able to do. It has made no dividend since September, 1838; and the profits of its business since that time may be seen by reference to the annexed table of the condition of the bank, in which it will be perceived that while its earnings under the head of profit and loss have been but \$1,796 62, its expenses have been \$4,080 13. The whole amount of new paper discounted since June last, with the exception of that connected with recent changes of stock, was but \$189 81.

Under these circumstances the stockholders were desirous, in 1839, of surrendering their charter; and a petition was prepared for that purpose, and delivered to Mr. Whidden, the president of the bank, and the representative of the town. But it was not presented to the legislature; and the bank continued struggling on, under its heavy embarrassments, until November last. Arrangements were then made with persons in New York, with a view to remove the indebtedness of Mr. Whidden, by a sale of his stock, and to give activity to the business of the bank.

Applications were made to Mr. Whidden about a year prior to this time, by individuals in New York, for a purchase of the charter, or a control of the stock, which resulted in nothing. During the last summer several persons from New York made similar attempts, and visited Calais for the purpose of carrying on negotiations. Among these individuals were Mr. Gaylord and Dwight Danforth, brokers, and S. G. Langdon, who after-

wards negotiated with the directors of the *Citizens' Bank*. Their overtures were rejected for want of confidence in the responsibility of the applicants.

About the same time, Mr. Woodward, a broker of New York, opened a correspondence with Mr. Whidden, whose references were more satisfactory, and with whom a bargain was partially made, by which he was to take the stock of Mr. Whidden and establish the credit of the bills in New York. Mr. Bachus, his agent, proceeded to Calais to obtain information in regard to the bank; and, if its condition corresponded with the representation, to close the negotiation. On the 22d of October, Mr. Woodward wrote to the cashier that he had been deceived by Mr. Whidden in regard to the condition of the bank, its debt to the *Suffolk Bank*, &c.; and that he would have nothing more to do with it. He says: "I caused the notes of the *Washington County Bank* to be quoted here at  $1\frac{1}{2}$  per cent., and sent you a paper. I need scarcely say that it was promptly changed to the old rate on Mr. Bachus's return."

Stephen Emerson, one of the directors, who held a portion of Mr. Whidden's stock, as trustee for some of his creditors, had been employed in these negotiations as an agent for the bank and for Mr. Whidden, and made frequent visits to New York to effect a sale of the stock, for which he was paid by the bank. In one of his visits he took on \$10,000 of the bills, "to be employed in raising funds for the bank." After the failure of Mr. Woodward to enter into the arrangement, a proposition was made by Cyrus Moore—a prominent actor in the recent transactions of the *Newburyport Bank*, and also, as it is said, in those of another institution in this State—which was acceded to, and an agreement made, by which he was to purchase 330 shares of the stock, as agent for persons in New York, and receive accommodations at the bank, in its bills, to put into circulation in the western country. I cannot state the terms of this agreement, as I was not furnished with it, nor with whom it was made, but I understand it to have been made with Stephen Emerson. The result of it, however, was, that Mr. Moore paid Mr. Emerson \$6,000 in bills of the *Newburyport Bank* to relieve Mr. Whidden's stock pledged elsewhere, and \$7,000 in Boston on account of his liability to the bank, by which Moore became entitled to a conveyance of 130 shares of the stock. The bank also took 180 shares of Mr. Whidden's stock at par, in payment of Albert Reid's paper, discounted for the benefit of Mr. Whidden, of about the same amount, but received from Mr. Emerson an obligation that he would, within three months from November 30, find a purchaser for the stock, or take it himself at par. Emerson, on making the agreement with Moore, entered into a contract with Whidden, by which he was to have all his stock at 88 per cent., and the whole amount was to be transferred to persons in New York. Forty shares of the stock in Mr. Emerson's hands are to be conveyed to Reuben D. Dodge, of New York, the principal for whom Mr. Moore was acting, when he shall pay \$2,000, for which it was pledged. The remainder was to be conveyed to Mr. Moore, or whom he should appoint, on conditions which I have not the means of setting forth. No part of the stock has yet been transferred; the 130 shares remain in pledge for the paper of Mr. Dodge, as hereinafter stated; and Mr. Emerson has informed me, since my visit to the bank, that Mr. Moore has declined fulfilling his contract for the purchase of the balance of the stock.

One of the important features of this transaction was the discount of

paper for Mr. Dodge to the amount of \$30,000, for which the bills of the bank were issued; and so desirous was he of having the largest amount possible of the bills, that he gave an acceptance for the interest on the paper, instead of taking it out of the money loaned, according to the invariable usage of banks.

Stephen Emerson and Bion Bradbury, two of the directors, were sent to New York—one with \$10,000, the other with \$20,000, of the bills of the bank, with plenary powers in regard to the security they should receive for them in pursuance of the foregoing arrangement. Mr. Emerson was authorized, by a vote of the directors, to receive acceptances for the \$10,000 delivered him, payable at the Suffolk Bank, in 2, 3, 4, 5, and 6 months, in equal amounts, *without interest*; the acceptances to be satisfactory to the directors, or to the agents appointed for that purpose.

Mr. Bradbury was clothed with similar power in regard to the \$20,000 placed in his hands. The vote runs thus:

"Voted, To discount paper to the amount of \$20,000, payable in a time not exceeding six months, upon such paper as *may be satisfactory to us or our agent.*"

The directors present at the adoption of these votes were Seth Emerson, Bion Bradbury, and Stephen Emerson; and it may be proper to remark that Seth Emerson, the president, and Mr. Bradbury, hold each *one share* in their names, both of which are the property of the bank.

The paper taken by these agents, in pursuance of the above votes, is as follows:

1840, November 17, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 2 months	\$2,000 00
1840, November 17, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 3 months	2,000 00
1840, November 17, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 4 months	2,000 00
1840, November 17, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 5 months	2,000 00
1840, November 17, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 6 months	2,000 00
1840, November 17, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 30 days	512 65
1840, December 12, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 4 months	7,000 00
1840, December 12, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 5 months	6,000 00
1840, December 12, R. D. Dodge, J. F. Wyckoff, J. L. Lockwood & Co., 6 months	7,000 00
	<u>\$30,512 65</u>

On the 19th of January the same directors voted to receive the paper above described, for which the bills had been previously paid out by the agents. No part of this paper has yet been paid.

Mr. Bradbury informed me that he made careful inquiries in New York in regard to the character and pecuniary responsibility of Mr. Dodge, and he was satisfied on both points. He is a flour merchant in Waterloo, New

York, and is also a dealer in stocks. Mr. Wyckoff is a young man, whose means and situation were not ascertained. He is one of the persons whose name has been mentioned in the recent disclosures at the Newburyport Bank. The name of Lockwood & Co. will be familiar to those who have read the report of the commissioners in relation to the Globe Bank. The connexion that seems to exist between persons who have been endeavoring to secure the control of certain banks in this State and Massachusetts indicates a settled purpose to carry on a wholesale business in the manufacture of paper money, which, if it had not been seasonably arrested by public investigations, must have been in a very high degree injurious to the welfare of the people. The funds of one bank appear to have been employed to buy up another.

It was part of the agreement, in the transaction of which I have now been speaking, that bills should be put in circulation in New York and the west, and that the parties who receive them from the bank should redeem them, as it was well understood that the bank could not do it. But, in the face of this agreement, in less than a month from their delivery, \$5,000 were returned to the bank for specie. Mr. Wyckoff explains this by saying, in a letter to the cashier, of February 12, that General Dodge "gave between \$4,000 and \$5,000 to a Mr. Anderson, of Indiana, who, it seems, disposed of them at Buffalo, instead of carrying them farther west, as was agreed." He adds: "The remainder are in possession of the fund commissioners of Indiana, and I think you need entertain no fears of their returning for redemption." A letter from R. D. Dodge, which is annexed to this report, will throw some light upon the expectation of the parties in respect to the circulation.

It is proper I should add, that, on my return from Calais, I met Mr. Stephen Emerson, who informed me that in consequence of unfavorable rumors in regard to the credit of this bank, the bills had not been found to answer the expected object, and that he had made arrangements for the return of \$15,000 of them.

Through these operations the liability of Mr. Whidden to the bank is reduced \$23,135 03, by a payment of \$7,000 in cash, furnished by Mr. Moore, and stock to the amount of \$16,135 03, accompanied by Mr. Emerson's obligation to take it at par. But, by the substitution of Dodge's paper, the loan has gone up nearly \$7,000 higher than it was before.

The following table will show the prominent items in the condition of the bank the first week in the several months mentioned. The circulation includes \$4,300 in bills lying in the Frontier Bank, on which a demand for specie was made more than a year ago, and on which interest is accumulating.

Date.	Circulation.	Loan.	Specie.
June - - - -	\$11,399 00	\$62,322 65	\$255 00
July - - - -	11,674 00	63,131 17	249 24
August - - - -	12,141 00	62,412 45	270 11
September - - - -	11,855 00	62,268 78	179 91
October - - - -	22,595 00	61,838 87	229 37
November - - - -	26,257 00	61,980 07	123 98
December - - - -	46,026 00	61,980 07	141 02
January - - - -	41,106 00	40,911 37	609 59
February - - - -	37,495 00	70,424 02	442 18

The principal part of the old loan consists of paper unavailable at present; over \$23,000 are the remains of Mr. Whidden's liability, which is secured by mortgages, about one-half of which is on wild land, and the remainder on property in Calais. The present condition of the bank will be seen by the following table:

*State of the bank, February 19, 1841.*

RESOURCES.

Notes and bills discounted - - - -	\$70,374 02
Bank stock (Washington County Bank) - - - -	16,135 03
Real estate - - - -	7,468 48
Silver and gold - - - -	268 22
Bills of other banks - - - -	113 00
Due from other banks - - - -	*2,173 91
Suspense account - - - -	†1,606 86
Expense - - - -	4,080 13
In hands of agent (bills) - - - -	1,000 00
	<u>103,219 65</u>

LIABILITIES.

Capital stock - - - -	\$50,000 00
Circulation - - - -	36,136 00
Deposites - - - -	4,984 96
Loan - - - -	2,000 00
Dividends - - - -	78 00
Profit and loss and interest - - - -	1,796 62
Due to other banks - - - -	†8,224 07
	<u>103,219 65</u>

\*\$2,000 in Frontier Bank, to meet their bills there.

† Account unsettled with Mr. Whidden.

Checks on time drawn on Suffolk Bank, to redeem circulation, payable in March.

I took the opportunity, being at Calais, to visit the two other banks at that place; but as nothing has occurred in them to render a particular notice necessary, and as they retain their usual standing and credit, I shall dismiss them without further remark at the present time.

No subject of political economy is more intimately connected with the prosperity of the people than that of the currency. This measures the value of labor and of merchandise. If it be fluctuating and unstable, and especially if depreciated, it causes severe losses, particularly among the classes dependant upon labor, and ceases to perform the functions of a sound and healthy medium for the exchanges of the country. In a government like ours, where the currency consists of the precious metals, and paper convertible into coin on demand, it is of the utmost consequence that institutions which are permitted to furnish a large portion of the currency should be conducted by men of probity, experience, and intelligence, who are the citizens of the government by which the institutions are established, and in whom every degree of confidence can be placed. They should also be subjected to such supervision and regulation as will insure a faithful performance of the high duties with which they are intrusted. If they are permitted to pass into the hands and under the management of adventurers, and men who are reckless in the pursuit of gain, the whole system must soon be overthrown, and what was intended to be and has been an instrument of great good will become a source of bitter calamity to the people.

It is, therefore, with great regret that it has been perceived that attempts have been made in every part of our State by persons from abroad, many of whom are at best of doubtful character and responsibility, to purchase largely into our banks, and obtain the controlling influence over them. Their design is no longer a subject of doubt. Their correspondence discloses it to be to procure the credit and the means of eastern banks as a capital for their purchases and speculations in a distant part of the country. The bank itself, with its suite of officers and rooms, was to be merely a laboratory to furnish tools for the operations of these new projectors upon the credulity of their countrymen.

I deem it, therefore, of vital importance, not only to the reputation of our banking institutions and of the government which created them, but to the best interest of the public, that all these schemes should be promptly and radically suppressed, and that stockjobbers and adventurers from other States be taught that the institutions of this State are not to be made, with impunity, the instrument of their unhallowed purposes.

WM. WILLIS, *Commissioner.*

I beg leave to suggest the expediency of restricting banks from loaning to persons who reside out of the State more than a certain limited proportion of their capital. This proportion not to exceed one-fourth or one-fifth of the capital.

*Letter from R. D. Dodge, January 6, 1841.*

*New York, January 6, 1841.*

DEAR SIR: Yours of 26th ultimo only came to hand yesterday. It must have laid over on the road some time. Your suggestions are very good about having an agency in Boston, to take up the bank notes, if they should happen to come in faster than we should have a right to expect.

I will attend to it. I have not yet received any information of your having completed your arrangements at the Suffolk. It should have been completed, so as to have the notes quoted in the Bank Note List and Counterfeit Detector, published the 1st instant. I hope it is done ere this. Every day it is delayed makes it worse for me, as I assured the western men who were to circulate the money that the arrangement had been made with the Suffolk, and that it would be quoted so the first of this month. I wish the western folks to think well of the money; for if they have confidence in it, it will be much easier taking care of the circulation than it would be if they had any doubt about it. I hope to hear from you or Mr. Emerson that it is all right. By establishing a good credit for the money in the west, we shall be able to get a first rate circulation; and, by so doing, make a good deal of money for the bank, and I hope some for myself. Mr. Emerson will have received, before this, a letter from Mr. Wyckoff, giving the reasons why he was not at your place with the bills. It would not be necessary for you to report the bills as in circulation, as not a dollar of them is. I have no doubt you got along well enough in your report. Be good enough to let me hear from you often. I will write again in a few days. I write this in great haste. Give my respects to Messrs. Emerson and Bradbury.

Your obedient servant,

REUBEN D. DODGE.

H. TWEED, Esq., Cashier.

*Extracts from Governor Fairfield's message to the Legislature of Maine,  
May 18, 1842.*

The banking system of this State, though probably as free from imperfections as that prevailing in any State in the Union, has nevertheless proved insufficient to prevent the failure of some banks, and the embarrassment of others. That insolvency and embarrassment have not been more frequent, and the consequent loss and injury to the public, as well as stockholders, more severe; is probably attributable, in a great measure, to the provisions of law relating to the amount of circulation, extent of indebtedness of directors, liability of stockholders for debts of corporations, official returns under oath, and periodical inspection under commissioners. Provisions that, as far as they go, have thus worked beneficially, it is presumed will not be readily relaxed or abandoned. On the contrary, we should inquire whether they may not, with propriety and advantage, be made still further restrictive. That the safety of the public might also be further secured, by requiring a wider specie basis for the circulation, and extending to these institutions the provisions of the bankrupt law, will hardly admit of a question. The latter, to be sure, is beyond your control; but it is to be hoped that it will not be unnoticed by Congress, in the revision of this subject which is anticipated.

I would also add, that my opinions heretofore communicated to the legislature upon the subject of the currency remain unchanged. That it would be improved by infusing into the circulation a greater proportion of the precious metals, and that this may be accomplished by prohibiting the circulation of bank bills of a small denomination, I do not entertain

a doubt: The only question is one of time. What period would be the most propitious for such a prohibition, is a matter for the consideration of the legislature, who will, before adopting any important changes, look to the state of public sentiment, and fairly estimate the probabilities that new enactments would be rigidly enforced, or permitted to remain a dead letter upon the statute book.

JOHN FAIRFIELD.

ANNUAL REPORT OF THE BANK COMMISSIONERS IN 1842.

*To the Governor and Council of the State of Maine:*

The undersigned, having visited the several banks in the State, in the months of July, August, and September last, report:

That the whole number of banks in actual operation is thirty-nine, with an aggregate capital stock of \$3,364,000, and a circulation, at the time of examination, of but \$1,087,585; which has doubtless greatly diminished since, and the January return for 1843 will probably exhibit a circulation as low, or nearly as low, as at any time within the last ten years. The circulation on the first of January last was \$1,585,820. On the first of June it was \$1,232,245; and on or about the first of September, \$1,087,585; showing a falling off in the circulation of the banks, for the first three-quarters of the year, of more than half a million of dollars, out of a little more than a million and a half. More than one-third of all the paper circulation of the State has doubtless disappeared during the present year; for it must be supposed that the circulation of foreign bills has diminished about in proportion to our own. Yet, notwithstanding this severe and almost unparalleled pressure, the banks of this State have stood firm, and most of them are in a very sound and healthy condition; and it is believed that at present the public are eminently safe from loss by the banks now in operation. The capital invested in banking is not now yielding a large profit to its owners, nor is capital invested in other branches of business. It is probable, however, that banking, conducted with prudence and good judgment, does even now, and will continue to afford a safe and profitable investment of capital.

True it is, banking has everywhere suffered; and so has every other branch of business. True, much bank capital has been lost; and in what has capital been invested, in which loss has not occurred? But the history of banking exhibits in strong colors this fact: that in almost exact proportion as a departure from regular banking has taken place, losses have been sustained. In proportion as banks have confined themselves to their own vicinity in the loans, and to the ordinary business of the country, has the stock been saved to the owners, and fair dividends made. And in proportion as banks have gone abroad for customers, or yielded accommodations to speculators at home, has the capital stock disappeared and the public suffered loss.

Many banks in the State, by a prudent course, have ridden out the storm of excess and ruin through which the country has passed, almost entirely unscathed; while others, by a departure, have suffered more or less severely. For four or five years last past, however, the banks now

in operation appear to have conducted their affairs with great prudence; and notwithstanding disasters have continued to follow business men, the banks have probably never suffered less from paper taken during that time in any like period of their existence.

By official returns, the loan of the banks now in operation

on the first day of January last, was	-	-	\$4,987,519
On the first of June last, it was	-	-	4,700,363
At the time of the examination	-	-	4,319,394

rejecting fractions.

This is a very large reduction in the loan, and bears no just proportion to the other operations of the banks; but the excess is accounted for in the compromise and liquidation of a large amount of doubtful and dishonored paper.

The reduction from January to June, in the loan, is	-	-	\$287,156
And from June to September	-	-	380,969
In the whole	-	-	<u>668,125</u>

The circulation of the banks was reduced, from the return of the banks on the first of June last, to the time of examination—say about 1st September	-	-	\$144,660 00
The deposits were reduced in the same time	-	-	33,696 36
The foreign bills on hand had increased	-	-	2,859 00
The dues from other banks had increased	-	-	11,604 92
	-	-	<u>192,820 28</u>
The specie had diminished	-	-	8,332 91
Which deducted, gives	-	-	<u>184,487 37</u>

Making an aggregate improvement in the strength of the banks, from the first of June to the first of September, to that extent. And from the first of January to the first of September last, there was an improvement in that respect of \$433,055 35.

Aggregate immediate liabilities of the banks at the time of examination:	
Circulation	\$1,087,585 00
Deposites, including unpaid dividends, &c.	696,786 22
	<u>1,784,371 22</u>

Immediate resources of the banks at the same time:	
Specie	\$177,823 48
Bills of other banks	119,152 00
Due from other banks	287,223 00
	<u>584,198 48</u>

Being a fraction less than one of immediate resources for three of immediate liabilities. But some banks are far below the standard of one to three, which is believed to be the safe standard; while others are far above.

The amount due from the banks in Boston to the banks in this State is nearly three hundred thousand dollars, consisting of the permanent fund placed in the Suffolk Bank, and funds in that and other banks in that city. A sum equal to the whole circulation of the banks in this State is redeemed at the Suffolk Bank about five times annually. The amount due the banks of this State from the Boston banks takes the place of that amount of specie in their vaults; and is, for all practical purposes, in the present course of business, far more convenient. And it will be perceived that the amount is to be added to the specie and foreign bills on hand, as immediate resources.

Fluctuation seems to be an incident to a paper currency. Whether a business community, such as ours, can dispense with one, or whether a larger specie basis for banking operations would limit the evil, and on the whole be expedient, it is not needful here to discuss. That it is an evil of great amount, to a people transacting a large portion of their business on credit, none will deny.

The subjoined table, taken from the semi annual returns of the banks for the last ten years, exhibits some facts on the subject for the consideration of all. There can be little doubt that fluctuation in the currency of a country will take place about in proportion to a departure from a specie basis. The amount of circulation of bank paper does not seem to depend, to any considerable extent, upon the amount of capital employed. In 1835, with a capital of about three millions, the circulation was far greater than in 1838, with a capital of five millions.

If the experience of the last few years has suggested any improvements in the laws on the subject of banking, the present would seem a favorable opportunity to make them.

More than half a million of dollars, invested in the banks of the State, are owned actually or nominally by persons residing out of the State. A portion of this stock has doubtless been fraudulently transferred, to avoid taxation; to what extent cannot well be ascertained. So far as the transfers are real, there can be no objection; and whether legislation can reach those so lost to all sense of justice and propriety as fraudulently to transfer their stock to avoid bearing their just portion of the public burdens, or whether they may not be left to the vigilance of the assessors of their respective towns, is submitted.

The bank tax bears unequally on the banks, and heavily on a portion of them. A tax on the circulation would seem to be far more equal and just. It is difficult to perceive why the capital invested in banking should be doubly taxed, more than capital invested in other pursuits. But there is some reason that for the privilege of supplying for the community a circulating medium to the extent of such circulation, the banks should make an adequate return.

It is suggested whether the semi-annual returns of the banks should not state the individual liability of the directors, in addition to their aggregate liability, and the names of such as have transgressed the limitation in the statute.

All the banks now in operation redeem their circulation in Boston, except three: the Calais Bank, at Calais, the Mercantile Bank, at Bangor, and the Westbrook Bank, at Westbrook. These three banks, the public will perhaps be surprised to learn, are sound and well managed institutions, and perform all their legal obligations to their bill-holders. They

pay their bills on presentation at their own counters, where alone, by law, they are bound to pay them. And their bills pass as cash in the immediate vicinity of the banks, although they do not even there answer all the purposes of money, as they cannot be sent abroad without loss; and if they chance to stray beyond a small and limited circle, or if wanted for foreign purposes, embarrassment and loss to the holder is the result; irritation and loss of confidence take place, not only in these banks, but to some extent in all.

Boston being the great business mart for New England, all money which is not current in business there can scarcely be said to answer all the purposes of money. The bill-holder finds this state of things, and did not create it; hence he feels injured and aggrieved, when he finds that what he had taken as cash will not answer the purposes of cash. And the public generally can hardly be persuaded that all is right with banks whose bills are presented in the weekly price currents at from 3 to 10 per cent. discount. The suggestion is therefore made, whether, under existing circumstances, there is not a *moral* obligation resting upon the directors of those banks to make their bills current in Boston.

The Suffolk system, so called, has been believed by some to be tyrannical and oppressive, adopted by the strong to compel those to pay tribute whom circumstances had placed in their power. But when it is considered that that system was merely to receive the bills of the country banks as cash, and present them at their own counters for payment, and that any other arrangement than this was a mutual bargain for mutual benefit and convenience, it is difficult to perceive in what consists the wrong. And it is believed that this system, and this system alone, in times gone by, has preserved our moneyed institutions from the general wreck which has fallen upon those of some of our sister States.

In the management and condition of most of the banks in the State, nothing has been found of which to complain. In some few, however, there is not that regard to system in keeping the records, and in the manner of doing the business, nor that careful observance of the requirements of the law, which could be desired. The stockholders' records seem to be full, and nearly complete, in all the banks. The directors' records are by no means so full and perfect, in several banks, as they should be.

The statute requires that all loans should be made with the assent of a majority of the directors. The true construction undoubtedly is, that this assent should be given before the loan is made, and not after it is made. The directors' records should give a complete history of all the proceedings of the board, at their meetings, both general and special— who was present, what action was had, and what paper was discounted, either in detail, or by reference to some book where it can be found and identified; and the records should be thus kept by one of the board, or by a duly qualified secretary.

A disregard of the provision of the statute limiting the indebtedness of the directors has been observed in several banks, and with much regret. This provision of our law is believed to be *wise* and *salutary*, and should be rigidly enforced. It may subject some directors, doing a large business, to some trifling inconvenience; but when it is considered that in all the history of broken banks in this country, and perhaps in the world, not an instance can be found in which large indebtedness by the directors has not been at the foundation of the evil, the primary and controlling if not

the only cause; and when it is recollected that, in our own country, in about half a century, near three hundred millions of dollars have been lost to the community by unfortunate and fraudulent banking, shall it not be insisted that directors shall, in some few instances, suffer some inconvenience rather than endanger the whole fabric?

If the provisions of the statute are duly observed, without gross fraud, or criminal neglect, the community can in no instance suffer by worthless or depreciated bank paper. Our experience in banking, both recent and more remote, teaches that the greatest security the public have, or can have, is in the integrity of the directors. Bankers have too often felt themselves above the restraints of legislation, and too often have enjoyed an immunity from legal exactions and penalties, to which the rest of the community could not aspire. It is therefore the part of wisdom in the legislature to remove, so far as may be, the temptation to transgress, and then to rigidly enforce legal restraints. Especially should corporations, the creatures of law, be subject to the restraints of law. Banks *should be*, and *professedly are*, an accumulation of capital by those who have a surplus, to loan to those who want. For the directors to engross a principal part, or even a large part of the loans of their own banks, is as clearly a perversion of all legitimate and proper banking, as it is against the genius of our republican institutions; which do not encourage the accumulation of capital in the hands of the few, but rather would distribute to that of the many.

The banks in this State which are obnoxious to this charge are the Calais Bank, at Calais, the Frontier Bank, at Eastport, the Mariners' Bank, at Wiscasset, and the Manufacturers and Traders' Bank, and the Bank of Cumberland, at Portland. In each of these otherwise sound and well conducted banks the excess is slight, and confined to a single director, and seems to be without any very strong necessity; and assurances were given that the evil should soon be corrected. In the Brunswick Bank, at Brunswick, two of the directors had exceeded their limitation as individuals. The Commercial Bank, at Bath, seems to have paid but little regard to the law in this respect, heretofore, although the subject has been repeatedly brought to the notice of the directors, by the cashiers. All the directors, save one, had exceeded their individual limitation, as well as the aggregate limitation. On nearly half of the loan of the bank, the names of the directors were found as principals or sureties. A large portion of the loan, it is true, is business paper, negotiated by the directors, who are business men, reputed to be men of capital, and doubtless are so. But this practice is contrary to law, and should not longer be tolerated. Is the law wrong? The legislature should repeal it, not the banks. Is the law right? Let it be observed; and let it be observed, right or wrong, until repealed.

The Neguemekeag Bank, at Vassalborough, is also in fault in this particular, and in some others. A large portion of the loan at this bank is engrossed by the directors. Two of the directors have, to a large extent, exceeded their individual limitation, and a firm in which a third director is a partner is largely indebted to the bank, although his individual name does not appear on the loan. The location of the bank seems to offer no suitable field for loans or circulation. It is true that the circulation of the bank and other liabilities are not large, but the immediate resources do not bear a just proportion even to the liabilities, small as they are.

## Statement of the Neguemekeag Bank, at the time of examination.

Immediate liabilities.		Resources.	
Deposites -	\$4,719	Specie -	\$863
Circulation -	9,500	Deposite in Suffolk Bank -	3,000
Unpaid dividend -	30	Foreign bills -	61
Due Suffolk Bank -	6,289		
	<u>20,538</u>		<u>3,924</u>

The liabilities of the directors of this bank are mainly as principals, and not as sureties. The records of the directors are incomplete, and the directors do not hold regular stated meetings.

It remains to speak of the Central Bank, at Hallowell. The bank has fallen under the animadversion of the bank commissioners almost every year of its existence, yet with no evidence of improvement. The directors do not hold regular meetings, although such meetings are recorded, and from time to time signed by a majority of the board. The cashier's bond has not been renewed, according to law. A very large majority of the loan is over due; and on notes thus lying over, more than 6 per cent. is taken by agreement for delaying collection. The cashier seems to constitute the sole board of control in the institution; and in his ability, integrity, and faithfulness, the directors, stockholders, and community, seem to have confidence. The circulation is small. The deposit is principally due the directors; the directors and cashier owe the bank little or nothing.

## Statement of the bank, at the time of examination.

Immediate liabilities.		Resources.	
Circulation -	\$17,963 00	Specie -	\$539 05
Deposite -	34,061 68	Deposite in other banks -	2,004 00
Due dividends -	418 00	Bills, foreign -	455 00
Due other banks -	5,009 44		
	<u>57,452 12</u>		<u>2,998 05</u>

The banks which have gone into liquidation appear to be closing their concerns as fast as could be expected, under the pressure of the times, and the embarrassments which at present exist in the collection of debts, either under their own boards of directors, or under those appointed by the governor and council, or under the receivers appointed by the supreme judicial court. The stockholders will suffer severely, in all these institutions; the public generally, in but few of them, comparatively. Those

under the management of their own directors have almost entirely redeemed their circulation. Upon the others a specific report may be expected from those into whose hands they have been committed. Something will doubtless be saved to their bill-holders, and it is to be hoped something over, for the stockholders.

On recurring to the history of our career in banking, in this State, we find much cause for regret, and something also for congratulation. The number of our banks has been reduced from fifty-five to thirty-nine: the capital stock, from about five and a half millions to three and one-third. Nearly two millions of bank capital have been lost, yet it has mainly fallen on the stockholders; not more than about one hundred and seventy-five thousand dollars have fallen upon innocent bill-holders. In a large majority of instances of unfortunate banking in this State, the directors have manfully breasted the storm; sacrificing their own property, and incurring heavy individual responsibilities, to save the public from harm.

Nearly or quite the present number of banks can probably be sustained in this State. The lowest point of depression in our bank circulation is believed to have been reached, and we may reasonably look forward to brighter prospects in future.

Which is submitted.

NATH'L MITCHELL,  
ALPHEUS LYON,

Commissioners on banks.

DECEMBER 31, 1842.

## ANNUAL REPORT OF THE BANK COMMISSIONERS IN 1843.

## To the Governor and Council of the State of Maine:

Agreeably to the requisitions of the statute, the undersigned have, during the last autumn, examined the several banks in the State, and their individual condition may be seen in the following pages:

The aggregate capital stock of the thirty-five banks now in full operation, is -	\$3,009,000
The present loan is -	4,027,335
The circulation or bills issued -	1,496,540
The deposit -	1,053,274
The specie -	213,366
Bills, foreign, &c. -	257,218
Balance due from banks out of the State -	829,576

Immediate liabilities -	\$2,549,814
Immediate resources -	1,300,160

It will be perceived that, in the aggregate, our banks are abundantly strong, having more than one dollar of immediate resources to meet two of immediate liabilities, with a loan of more than four millions, believed to be as good as at any former period, to reimburse the capital stock and meet all possible contingencies.

What is here said of the aggregate may be said of almost every individual bank; and the currency, so far as the banks of our State are concerned, may be considered as resting upon a specie basis; the funds in their own vaults and in Boston being nearly equal to their whole circulation.

It is true that the prospect of realizing large profits from investments in bank stock is not very flattering. Still, the dividends are believed to be a fair equivalent, considering the present low rates of money, and as good as most other stocks in the country, considering the safety of the investment. The losses upon paper discounted since 1836 are very small, and great caution and good management have been exhibited on the part of the directors of the present banks since that period. Nor has caution and prudence been confined to bankers; it pervades the whole business community; and it is to be hoped it may be long, very long, before the scenes of 1835 and 1836 shall be acted over again. Indeed, a new era seems to have commenced: instead of business paper being cashed in the market at two per cent. a month, bankers find it difficult to obtain six per cent. per annum. This arises not only from the fact that there is less trade, but also from the general reduction in the price of all kinds of property, growing out of the change from an excessive and almost exclusive paper currency to one based on specie. The exchanges of the country were never more healthy and uniform, not even in the most palmy days of the United States Bank. This fact clearly negatives the doctrine that the business and exchanges of the country cannot be successfully transacted without the aid of a national bank; and would seem to indicate that the business of the country, as well as the currency, are best regulated when left to regulate themselves.

The present state of things may not, however, be expected long to continue; returning confidence, already perceptible, will bring with it an expansion of the circulating medium, and a consequent rise in the price of property of every kind. Although the issues of our banks are still comparatively low, they have increased during the last year almost half a million of dollars. At our last examination the circulation was but \$1,087,585; it is now, including the remaining circulation of the four banks which have surrendered their charters, \$1,515,726, notwithstanding these four banks have withdrawn their own circulation to the amount of one thousand dollars during that period.

The deposits in the banks has also increased, and is now unusually large, showing that unoccupied individual capital abounds. Cash deposited in the banks by individuals last year was \$696,786; it is now \$1,078,171. Specie has also increased: it was last year \$177,823; it is now \$219,358. Foreign bills have also increased from \$119,132 to \$270,679. There is now due the banks of this State from banks in Boston, and mostly from the Suffolk Bank, the unprecedented sum of \$899,234, exceeding one-half of the whole issues of our banks. This fact speaks favorably for the business and resources of the State. This last item stood last year at \$287,223.

The loan of the banks has been diminished during the last year from \$4,314,394 to \$4,052,023. Fractions have been disregarded; and in the comparison and enumeration last abovenamed, the four closing banks have been included. The banks of the State might safely extend their loan a million of dollars, should the community require it. Three to one of immediate resources to liabilities has ever been considered safe banking; and, with a prompt loan, must be so. Is it probable that the present large amount of unemployed capital will long continue? May it not be expected that new branches of business will be sought out, or present ones extended or enlarged? May it not be expected that the present banks

will find full demand for their means up to the point of safety? Happy will it be for the stockholders and community if even this point be not passed by some of them. Several banks even now, from local advantages, have been able to carry their loan nearly up to the legal limit; but they have as yet been able, almost without exception, to accommodate every good application for loans, and some on unusually long time. The very low rates at which money can be procured in the large cities have induced some of our citizens to go abroad for loans, but not probably to any very considerable extent.

Strong temptations beset moneyed institutions to transgress safe limits, especially in times of business excitement; and it is hardly to be expected that all our banks will observe the caution and prudence necessary to pass such an ordeal unscathed, should it again occur. This consideration would seem to present a strong reason for carefully examining the statutes on the subject of banking, and setting up additional guards, should any be deemed needful. The suggestions made upon this subject in the report of last year have been re-examined, are believed to be sound and sustained by experience, and need not be repeated.

The present banks have almost entirely surmounted former losses; the stock is in the aggregate, upon their present capital, worth par; and there is very little of which to complain in their management or condition. The directors' records are not so perfect in some banks as they should be: there should be a fair and intelligible history of their doings, delineating every material act. The bond of the cashier should be copied at full length on the directors' records; they should show that it has been duly renewed and approved; that the oath has been duly administered, and to whom the bond is committed for safekeeping. In one bank the renewal of the cashier's bond had been neglected; the commissioners were promised, however, that it should be immediately attended to. It was subsequently found that defalcation by that cashier had already taken place; not, however, to affect, as it is believed, in the slightest degree, the safety of the community or the credit of the bank. This important provision of the law should in no case be neglected. Another important regulation now adopted by most banks (and should be by all) is, to settle semi-annually, or at least annually, with the cashier, by a committee of the directors or stockholders, whose report should be entered on record. This settlement should be faithful and particular; it should extend to every department; even the items should not be neglected. Cashiers of banks are more strongly tempted than most other men: the history of banking, even in our own State, shows that they have not always resisted. The certainty that an ordeal, sure to detect defalcation, must be passed at short and stated periods, presents a strong barrier against this evil.

The Bank of Portland, the Maine Bank, the Union Bank, and the Ne-guemkeag Bank, which surrendered their charters to the last legislature, as will be perceived, have well nigh closed their concerns; and, so far as the public are interested, may be considered to have done so, but a very small amount of their bills remaining unredeemed.

The following banks are noticed in the weekly price-currents of the day as belonging to Maine, with the addenda in brackets annexed to each:  
 Calais Bank, at Calais, [7 to 8 per cent. discount.]  
 Mercantile Bank, at Bangor, [3 to 4 per cent. discount.]  
 Westbrook Bank, at Westbrook, [1 to 2 per cent. discount.]

These banks are all sound, and pay their bills on demand at their own counters, as they ever have done; they do not redeem in Boston, but their bills circulate without discount in their immediate vicinity.

Bangor Commercial Bank, [4 to 5 per cent. discount.]

City Bank, Portland, [12 to 15 per cent. discount.]

St. Croix Bank, Calais, [12 to 15 per cent. discount.]

Lafayette Bank, Bangor, [5 to 6 per cent. discount.]

These last four banks have surrendered their charters, and are closing their concerns under their own directors. They have redeemed their whole circulation at par. What of their bills have not been returned are supposed to be lost: should any be still in existence, they will be promptly paid on presentation. In each of these institutions something will be saved for the stockholders, although most of the capital has been lost. A favorable time for disposing of interests in real estate and collecting debts has been awaited by the directors, which has delayed the final close of these banks.

Demariscotta Bank, [worthless.] This bank was in operation about two years; surrendered its charter, closed up its concerns, redeemed its circulation at par, except about \$100 supposed to be destroyed or lost. Should any of its bills be now in existence, on presenting them to the late officers of the bank they will be promptly paid.

Bangor Bank, [worthless.] Closed its concerns many years since—provided for the redemption of its whole circulation—took a good and still responsible bond for that purpose. No unredeemed bills supposed to be in existence.

Agricultural Bank, Brewer, [80 to 90 per cent. discount.] This bank is in the hands of receivers; a large portion of its circulation has been redeemed in payment of the loan; a portion of the remainder is expected to be provided for in the same way. The bills netted, to those indebted to the bank, par, of course; to others, from 25 to 50 per cent. Very little will probably be saved for the stockholders.

The Frankfort Bank, at Frankfort, [worthless.]

Washington County Bank, Calais, [worthless.]

Stillwater Canal Bank, Orono, [worthless.]

Globe Bank, Bangor, [worthless.]

Citizens' Bank, Augusta, (new plate,) [worthless.]

The last five banks are in the hands of receivers, with little prospect of advantage to those interested. These banks were bought up by speculators from abroad—a great portion of the circulation remaining in their hands, and in the hands of brokers out of the State. In some instances a portion of their bills have been taken up in payment of the loan, but not to any considerable amount. Attempts are being made to collect something from the stockholders through legal process; with what success, remains to be seen.

The Castine Bank, Castine, [worthless.]

Hallowell and Augusta Bank, Hallowell, [worthless.]

Wiscasset Bank, Wiscasset, [worthless.]

Kennebec Bank, Hallowell, [worthless.]

Passamaquoddy Bank, Eastport, [worthless.]

These banks failed many years since; a large portion of their circulation was a total loss to the holders.

Oldtown Bank, at Orono. This bank is supposed to be a total failure.

Oxford Bank, [fraud.] A bank charter was granted by the legislature, under this title, to be located at Fryeburg, in the county of Oxford; it was not, however, accepted by the incorporators. Some evil-minded persons, through fraudulent representations, obtained a plate, issued bills, and attempted to get them into circulation. The fraud was immediately discovered, and the scheme defeated before any considerable injury had been sustained.

Georgia Lumber Company, [worthless.] This was never a corporation of this State; it was a foreign concern, with an agent here.

Which is respectfully submitted.

NATHAN'L MITCHELL, } *Bank*  
ALPHEUS LYON, } *Commissioners.*

DECEMBER 31, 1843.

*Extracts from Governor Anderson's message to the Legislature of Maine, January 5, 1844.*

Since the great crisis in the monetary affairs of the country which occurred in the year 1837, the banking capital of the State has undergone a great reduction; and the amount of capital now invested in those institutions is but little above that which existed prior to the period when so sudden and rapid an augmentation was authorized by the legislature. In the general convulsion of that time, some of those institutions were involved in difficulties by which they were finally prostrated; and others, having surrendered their charters, have wholly withdrawn from business. Those which now remain are believed to be in a solvent and healthy condition; and most of them have recovered from the losses sustained during the period to which I have referred. They are generally doing a limited and safe business, and, at the date of the last annual report of the commissioners, had a very contracted circulation.

The losses which have been sustained, from time to time, by the public, in consequence of the failure of some of these institutions, have justly excited the jealousy of the people, and induced the legislature to consider whether some further safeguards might not be established, which would more effectually protect the community against a recurrence of similar disasters. Several propositions have at different times been presented, all of which seem to look to a gradual enlargement of the specie basis of the banks as best calculated to furnish a salutary corrective against excessive issues, and to afford the most constant and efficient check to the tendency to overbank which those institutions have so often manifested. If, in addition to the restrictions and guards now established, further limitations should be deemed advisable, a considerate foresight would seem to point to their early adoption. The charters of all the banks will expire in the year 1847, and it is proper, that if any considerable change is intended to be made in the charters then to be given, the institutions interested should be seasonably admonished of the terms upon which their continuance will depend.

Upon the subject of a national bank, the legislature and people of this State have frequently spoken in the most decided and unequivocal terms.

The opposition manifested to such an institution in its days of prosperity and power, has lost nothing of its force by the melancholy developments of later times; and if it was then considered dangerous to the liberties and corrupting to the morals of the people, subsequent experience has proved it equally injurious to the business and currency of the country. The general soundness of the local currencies, and the consequent equalization of the exchanges between the most distant points, now maintained without the agency of a national bank, are conclusive proofs that these desirable results may be effected by other and safer means; and an attempt, under present circumstances, to re-establish a similar institution, would seem to evince an utter disregard of the warnings of example and the teachings of experience.

H. J. ANDERSON.

COUNCIL CHAMBER, Augusta, January 5, 1844.

*Extracts from the report of the bank commissioners appointed to make an annual examination of the banks of Maine, December 31, 1844.*

The whole number of banks now in actual operation in the State is thirty five—the same number as at our last report.

The capital stock is also unchanged, being \$3,009,000.

The greatest number of banks at any time in operation in this State was in 1838, being 55, with an aggregate capital of \$5,458,750. The number of banks since that period has therefore been reduced to 20, and the diminution in the capital stock is \$2,449,750.

The following is the state and condition of the several banks, together with the names of the officers, at the time of the examination:

The Maine Bank, Bank of Portland, City Bank, Union Bank, and Neguemkeag Bank, which surrendered their charters some time since, may be considered to have closed their business so far as the public are concerned; their circulation, in the aggregate, being less than eight thousand dollars, and they having abundant means to meet it.

The following is a synopsis of the foregoing state of the banks, showing the aggregate of the principal items, and comparing them with those reported the last year:

	1844.	1843.
Immediate liabilities	\$3,124,475	\$2,549,814
Immediate resources	1,369,325	1,300,160
Loans	4,492,762	4,027,335
Circulation	1,846,816	1,496,540
Deposites	1,254,915	1,053,274
Specie	198,899	213,366
Bills of other banks	144,192	257,218
Due from other banks	1,003,082	829,576

It will be seen, by an examination, that all the items in the foregoing table, with the exception of the specie and bills of other banks, have increased during the last year. This, however, was to be expected from the

increase of business throughout the State; but the banks, so far as the public are concerned, are believed to be perfectly secure. While the commissioners take great pleasure in bearing testimony to the fidelity and ability with which the business of the banks has been generally conducted by their several officers, they regret to be again under the necessity of reporting a violation, in some few instances, of those salutary laws enacted for the government of these institutions. Among the banks obnoxious to the charge is the Bank of Bangor, which has exceeded the legal limits, both in its loan and circulation. The Central Bank, the Eastern Bank, the Kenduskeag Bank, and the York Bank, have exceeded the legal limits in their circulation.

There are some few instances, also, where the directors have transcended their authority by allowing their names to stand upon discounted paper to an amount of more than eight per cent. of the capital stock of the bank. This, however, is generally as surety upon short business paper, and, although a violation of the statute, is not so culpable as if it were on loans of a permanent character. The integrity of the laws, nevertheless, should be preserved; and whenever a violation is knowingly and wilfully persisted in, the legislative authority should interfere for the maintenance of its own enactments. There is, probably, no State in the Union where the public are more securely guarded, by wholesome laws, from bank frauds, than they are in this State; nor do we believe that there is one where the laws are more generally adhered to by those who have the management of the banks; and it is to this that we may attribute the high standing of our paper currency throughout the Union, and the very few bank failures which have occurred since the existence of our present bank laws. The history of nearly all the bank failures which have taken place affords melancholy evidence either of a violation of law, a departure from strict banking principles, or mismanagement of bank officers. Is it not, then, necessary, in order to prevent a recurrence of these evils, to hold those who have the management of banks to a strict legal accountability?

If the existing laws are unjust or unequal in their operation, they should be amended or repealed; but so long as they exist upon the statute books, they should be enforced. The character of our banks for soundness and good management should be preserved at all hazards. While, however, those officers who depart from a strict line of duty should be held accountable for their delinquencies, care should be taken that those who perform it should not suffer by arbitrary enactments. The banking mania which a few years since pervaded so large a portion of our community has passed away, and there is probably no public institution at this time less popular than banks.

Banks, however, established for the purpose of investing surplus capital, with proper guards, and conducted by men of integrity, of purpose and sound judgment, are still considered by a large portion of the commercial community as not only useful, but necessary. Indeed, the system has been so long established, and is so interwoven with all our commercial transactions, that it would seem to be unwise, if not impossible, to entirely change it. If, therefore, the system must necessarily be continued, all proper checks to future excesses should be preserved.

A sound and uniform currency is the great object most earnestly desired; but the question which has so long agitated the public mind is,

what is the most sound, useful, and uniform currency for our own country, and how can it be obtained? One nation assumes one system—another, a different one; but all agree that the basis of a good currency is the precious metals, and that all paper issues should not only be the representative of metallic coin, but convertible into it. The bank notes of this State now in circulation are believed to be generally, if not entirely, of this character.

The public, then, are perfectly safe with regard to our banking institutions, so long as they are conducted by sound and discreet officers, acting agreeably to the provisions of law, and restricting themselves from running into excess in their loans and paper issues. But with all the care, skill, and integrity of bank directors, revulsions in trade and panic in the money market have occurred, and probably will continue to occur. This state of things seems to be incidental to all commercial countries, and has been most strikingly realized in our own.

In 1819 the pressure was very severe, resulting from the change from a long depreciated paper currency to a sound one. Serious revulsions also occurred in 1826 and 1829—a moderate one in 1832; a short one in 1834; and in 1837, one of the most trying that was ever experienced in the United States. This grew out of the excessive speculations and overtrading of 1835 and 1836, and so deranged the currency of the country as to cause a suspension of specie payments by nearly all the banks in the Union. This continued until the spring of 1838, when the banks of New England and of New York resumed. The Bank of the United States did not resume until the following July: it continued to pay specie until October of 1839, when it broke down in bankruptcy and ruin. Another paralysis succeeded, which continued until 1841, when trade again began to revive. Whether these revulsions could have been entirely prevented by bank officers, is somewhat problematical; but they undoubtedly might have been considerably lessened by diligence on their part.

The currency of a country is very materially affected by the operation of foreign trade; and the intimate connexion existing between that branch of industry and the banks should induce those who are intrusted with their management to keep a vigilant eye upon the amount of our imports and exports, as experience has shown that continued excessive imports over our exports have led to disastrous revulsions in trade. Our debts abroad must be paid; and when our exports and the earnings of our ships are not sufficient to pay them, the balance must be paid in specie; and whenever this occurs, its effects will be felt by the whole trading community. If, therefore, foreign exchange advances to a point to require the shipment of specie for a considerable length of time, the banks must cease to discount, and a panic in the money market will ensue, bringing upon the trading community all its disastrous consequences.

These facts may be illustrated by giving a comparative view of the state of our foreign trade, and of banking, in the years 1836 and 1843.

The amount of our imports in 1836, was	\$189,983,085
Do do exports do	123,663,040

The amount of imports more than exports	66,320,045
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The amount of imports in 1843, was	\$89,260,800
Do of exports do	100,063,200
The amount of exports over imports	10,802,400
The bank loans throughout the Union in 1836, were	\$457,506,100
Do do do 1843, were	202,603,500
The loan less in 1843 by	254,902,600
The circulation throughout the Union in 1836, was	\$140,301,000
Do do do 1843, was	45,848,200
The circulation less in 1843 by	94,452,800

Thus it will be seen, by the above statement, that while in 1836 our imports exceeded our exports more than sixty-six millions of dollars, leaving that immense balance of a single year to be provided for by other means than that of exports, in 1843 the whole thing was reversed, our exports exceeding our imports by nearly eleven millions of dollars.

Our bank loans, also, in 1836 exceeded those of 1843 nearly two hundred and fifty-five millions of dollars, and our paper circulation of 1836 exceeded that of 1843 more than ninety-four millions of dollars.

The results and disasters which followed the excesses of banking and importing in 1836 have been too deeply impressed upon the public mind to need a repetition in this report; they are alluded to merely as beacon lights, to prevent the recurrence of similar disasters.

The present prosperous state of business throughout the country contrasts most pleasantly with those years of gloom which immediately succeeded the years of overtrade and speculation. The wreck is now cleared away; and the banks which have survived the storm have generally returned to a sound mode of dealing; but much depends upon those who have the control of them, whether this prosperous state of business shall continue, or whether we shall again pass through a catastrophe similar to that from which we have just emerged. There probably never was a time, since the adoption of the federal constitution, when the trading community stood upon a more solid foundation than at the present. Never was there a time when there were less individual liabilities, compared with the means of payment; and it is confidently hoped that the experience of past disasters will teach us future caution. Our domestic exchanges continue even and uniform to a remarkable degree: if they vary, it is in cases where one part of the country becomes too much indebted to the other, and again becomes uniform as trade becomes equalized.

Our foreign exchange has reached the specie point, or nearly so; and should the great influx of foreign goods continue, our exports will not, at the present low prices of our products, be sufficient to meet our payments abroad, and specie must of course leave our country to pay the balance. Should this extend to a large amount, it must necessarily affect unfavorably the business operations of our banks.

Before closing this report, the commissioners ask leave, respectfully, to call the attention of the legislature to the passage of an act to prevent bank-note plates from going into the hands of irresponsible persons.

It is believed that there is no provision by law to prevent the plates of banks from being sold, even at public auction.

The plate of the late Citizens' Bank of this State fell into the hands of persons who, by changing the die, so imitated bills of different banks as to defy the scrutiny of some of the best judges; and thirteen fifty-dollar bills, struck from this plate, were actually passed off to the cashier of one of our banks, and proved a total loss.

The commissioners also deem it to be their duty to call the attention of the bank directors to an important suggestion in their report of the last year, that the fact of the annual renewal of the cashier's bond should be placed on the directors' records; and also that a settlement with the cashier should be made semi-annually, or at least annually; and that the settlement should be full, faithful, and minute in all its parts, certified to by the committee by whom the settlement is made, placed on file, and the fact also recorded upon the directors' records.

These settlements, though generally made, are not universally attended to; but it is believed that if a strict annual examination was made into all the affairs of the banks, and an exact account taken of the money and other effects, together with a list of all the papers, duly certified by the examining committee, we should hear of very few defalcations by bank officers, or losses either to depositors, stockholders, or the public.

It is matter of astonishment that such an exhibit is not demanded by the stockholders, at their annual meetings, previous to their proceeding to the choice of directors.

The recent explosion of the Phoenix Bank, in a neighboring State, should remind those who are interested in bank stock that too much caution cannot be exercised to prevent similar disasters in our own State.

All of which is respectfully submitted.

NATH'L MITCHELL, } *Bank Commissioners.*  
ALPHEUS LYON, }

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## ABSTRACT

FROM THE

## RETURNS OF THE BANKS IN MAINE.

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Abstract from the returns of the cashiers of the several incorporated banks in Maine, as they existed on the Saturday preceding the first Monday of October, 1845; prepared in conformity to the provisions of the revised statutes, chapter 77, section 59, and an act of the Legislature, approved April 7, 1845. By Wm. B. Hartwell, Secretary of State.

DUE FROM THE BANK.

	Androscoegin Bank.	Augusta Bank.	Bank of Bangor.	Bank of Cumberland.	Bank of Westbrook.	Belfast Bank.
Capital stock	\$50,000 00	\$110,000 00	\$100,000 00	\$100,000 00	\$50,000 00	\$50,000 00
Bills in circulation	35,493 00	63,743 00	70,824 00	197,310 00	49,455 00	55,471 00
Net profits on hand	5,416 31	5,649 99	13,762 83	644 20	203 84	3,646 93
Balances due to other banks	59 63	242 48	6,877 51	None	None	
Cash deposited, including all sums whatsoever due from the bank not bearing interest, its bills in circulation, profits and balances due to other banks excepted	22,047 31	84,104 34	85,740 40	47,631 05	11,998 07	19,055 91
Cash deposited, bearing interest	None		130,709 44	None		
Total amount due from the bank	113,916 25	282,739 81	863,914 18	245,465 25	111,716 91	138,173 84

† Including bills redeemed, now in Boston.

† \$30,000 at 3 per cent; \$709 44 at 6 per cent.

† Including bills redeemed in Boston.

RESOURCES OF THE BANK.

	Androscoegin Bank.	Augusta Bank.	Bank of Bangor.	Bank of Cumberland.	Bank of Westbrook.	Belfast Bank.
Gold, silver, and other coined metals in its banking house	\$4,899 01	\$9,881 97	\$7,010 70	\$5,757 57	\$2,361 47	\$3,352 99
Real estate	2,100 00	10,832 51	3,372 62	19,000 00	3,819 56	5,306 63
Bills of other banks incorporated in this State	1,335 00	4,241 00	72 00	11,210 00	2,481 00	824 00
Bills of other banks without this State		2,120 00	2,018 00	473 00	537 00	658 00
Balances due from other banks	52,131 47	48,563 87	91,127 32	29,755 85	22,355 81	136,773 94
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks	53,449 77	207,088 46	260,413 54	179,268 63	80,162 07	81,758 28
Total amount of the resources of the bank	113,916 25	282,739 81	363,914 18	245,465 25	111,716 91	138,173 84

\* Including bills of other banks without the State.

† And John Hathaway, agent, Boston.

## Abstract from the returns of the banks in Maine—Continued.

	DUE FROM THE BANK.					
	Brunswick Bank.	Canal Bank.	Casco Bank.	Central Bank.	Commercial Bank.	Calais Bank.
Capital stock	\$75,000 00	\$400,000 00	\$300,000 00	\$50,000 00	\$50,000 00	\$50,000 00
Bills in circulation	37,684 00	209,746 00	119,666 00	85,312 00	50,219 00	40,263 00
Net profits on hand	163 42	3,738 20	13,302 40	*10,146 77	115 93	2,700 10
Balances due to other banks	-	14,322 54	3,680 84	-	300 00	10,360 15
Cash deposited, including all sums whatsoever due from the bank not bearing interest, its bills in circulation, profits and balances due to other banks excepted	8,477 99	184,758 94	121,257 95	12,565 74	16,634 31	16,165 75
Cash deposited bearing interest	-	22,000 00	None.	45,611 00	-	-
Total amount due from the bank	121,525 41	832,573 68	538,107 19	203,665 51	117,269 32	119,409 00

\* Including \$3,512 50 collected on reduction of capital stock.

## RESOURCES OF THE BANK

	RESOURCES OF THE BANK					
	Brunswick Bank.	Canal Bank.	Casco Bank.	Central Bank.	Commercial Bank.	Calais Bank.
Gold, silver, and other coined metals in its banking-house	\$3,174 88	\$15,898 57	\$18,019 61	\$2,011 87	\$2,774 33	\$4,032 33
Real estate	2,925 82	28,896 19	25,827 54	28,620 41	27,550 00	8,260 60
Bills of other banks incorporated in this State	1,039 00	27,602 00	9,443 00	5,108 00	1,218 00	505 00
Bills of other banks without this State	340 00	5,646 00	565 00	2,324 00	1,152 00	6,006 00
Balances due from other banks	22,459 67	58,355 80	10,406 96	15,442 50	34,070 47	706 63
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks	91,026 04	696,132 12	403,845 08	150,158 43	76,804 52	99,908 35
Total amount of the resources of the bank	121,525 41	832,573 68	538,107 19	203,665 51	117,269 32	119,409 00

## Abstract from the returns of the banks in Maine—Continued.

	DUE FROM THE BANK.					
	Eastern Bank.	Franklin Bank.	Freeman's Bank.*	Frontier Bank.	Granite Bank.	Gardiner Bank.
Capital stock	\$50,000 00	\$30,000 00	\$50,000 00	\$75,000 00	\$75,000 00	\$100,000 00
Bills in circulation	74,473 00	27,752 00	52,647 00	26,069 00	59,195 00	66,263 00
Net profits on hand	1,573 51	410 63	3,018 13	1,634 04	2,793 59	6,426 77
Balances due to other banks	1,800 18	652 10	-	159 76	355 43	9,521 64
Cash deposited, including all sums whatsoever due from the bank not bearing interest, its bills in circulation, profits and balances due to other banks excepted	30,392 45	16,120 36	21,406 72	33,096 51	11,024 12	42,451 59
Cash deposited bearing interest	11,249 15	5,300 00	-	-	None.	-
Total amount due from the bank	169,488 29	90,235 08	127,071 85	136,559 91	148,368 14	226,681 00

\* Return dated on Saturday preceding the 4th Monday of October.

† Including \$327 unpaid dividends.

## RESOURCES OF THE BANK.

	RESOURCES OF THE BANK.					
	Eastern Bank.	Franklin Bank.	Freeman's Bank.*	Frontier Bank.	Granite Bank.	Gardiner Bank.
Gold, silver, and other coined metals in its banking house	\$5,061 10	\$1,207 23	\$4,121 00	\$2,294 61	\$2,815 09	\$2,795 76
Real estate	18,000 00	3505 00	-	2,500 00	7,121 63	2,000 00
Bills of other banks incorporated in this State	9,809 00	\$1,197 23	5,240 73	\$969 00	4,411 00	4,869 00
Bills of other banks without this State	12,660 00	320 00	1,120 00	3,012 75	2,206 00	2,153 00
Balances due from other banks	43,733 23	7,801 25	24,972 33	6,210 24	4,514 60	32,765 55
Amount of all debts due, including notes, bills of exchange, and all assets and funded debts of every description, excepting the balances due from other banks	97,131 94	79,101 27	92,314 79	131,953 31	127,990 82	182,097 69
Total amount of the resources of the bank	169,488 29	90,235 08	127,071 85	136,559 91	148,368 14	226,681 00

\* Return dated on Saturday preceding the 4th Monday of October.

† And bank stock.

‡ Including iron safe.

§ And Checks.

Abstract from the returns of the banks in Maine—Continued.

	DUE FROM THE BANK.					
	Kenduskeag Bank.	Lincoln Bank.	Lime Rock Bank.	Manufacturers' Bank.	Manufacturers' and Traders' Bank.	Mariners' Bank.*
Capital stock	\$100,000 00	\$100,000 00	\$50,000 00	\$100,000 00	\$75,000 00	\$30,000 00
Bills in circulation	72,700 00	98,132 00	46,059 00	66,188 00	47,752 00	45,843 00
Net profits on hand	2,725 78	3,573 86	1,345 82	4,201 90	1,316 11	2,979 50
Balances due to other banks	2,452 99	121 32	281 47	1,301 34	3,609 11	171 16
Cash deposited, including all sums whatsoever due from the bank not bearing interest, its bills in circulation, profits and balances due to other banks excepted	60,536 56	89,617 65	33,521 61	136,101 66	16,833 16	20,144 14
Cash deposited bearing interest	±33,738 33	None	1,000 00	-	1,600 00	-
Total amount due from the bank	273,153 66	291,474 83	132,817 90	209,795 90	146,110 38	118,477 80

\*The cashier of this bank states upon his return, that, owing to the absence and sickness of some of the directors, a majority of signatures could not be obtained. † Including \$417 unclaimed dividends. ‡ \$30,000 at 3 per cent.

RESOURCES OF THE BANK.

	RESOURCES OF THE BANK.					
	Kenduskeag Bank.	Lincoln Bank.	Lime Rock Bank.	Manufacturers' Bank.	Manufacturers' and Traders' Bank.	Mariners' Bank.*
Gold, silver, and other coined metals in its banking-house	\$10,159 49	\$10,925 87	\$1,707 06	\$4,858 09	\$5,626 52	\$3,076 07
Real estate	7,670 00	3,000 00	3,505 18	6,076 34	1,000 00	3,705 54
Bills of other banks incorporated in this State	126 00	1,806 00	4,200 00	1,521 00	5,883 00	2,500 00
Bills of other banks without this State	115,652 00	457 00	2,414 00	2,037 00	363 00	4,078 00
Balances due from other banks	54,385 66	99,431 68	31,308 55	24,309 31	4,402 54	22,633 70
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks	185,160 51	175,851 28	85,569 81	171,094 16	128,835 32	82,484 49
Total amount of the resources of the bank	273,153 66	291,474 83	132,817 90	209,795 90	146,110 38	118,477 80

\*The cashier of this bank states upon his return, that, owing to the absence and sickness of some of the directors, a majority of signatures could not be obtained. † Including checks on Boston banks.

Abstract from the returns of the banks in Maine—Continued.

DUE FROM THE BANK.

	Mercantile Bank.	Merchants' Bank.*	Medomak Bank.	Megunticook Bank.	Northern Bank.	Sagadahock Bank.
Capital stock	\$50,000 00	\$150,000 00	\$50,000 00	\$10,000 00	\$75,000 00	\$50,000 00
Bills in circulation	60,633 00	112,671 00	40,000 00	36,734 00	37,450 00	20,420 00
Net profits on hand	1,741 86	6,881 59	88 02	612 97	3,525 64	98 23
Balances due to other banks	-	15,391 07	None	-	2,254 10	4,745 83
Cash deposited, including all sums whatsoever due from the bank not bearing interest, its bills in circulation, profits and balances due to other banks excepted	10,624 69	120,980 50	8,223 45	5,506 67	12,379 71	56,886 72
Cash deposited bearing interest	1,000 00	None	None	-	495 90	None.
Total amount due from the bank	124,063 55	421,924 16	103,316 47	92,153 64	138,105 41	132,150 78

\* Return dated on the first Monday of October.

† Including those redeemed in Boston.

‡ Including \$315 unclaimed dividends.

RESOURCES OF THE BANK.

	Mercantile Bank.	Merchants' Bank.*	Medomak Bank.	Megunticook Bank.	Northern Bank.	Sagadahock Bank.
Gold, silver, and other coined metals in its banking house	\$5,444 82	\$34,375 97	\$3,085 58	\$4,082 88	\$1,756 85	\$2,572 61
Real estate	4,158 98	5,000 00	2,555 92	11,918 12	1,744 28	None.
Bills of other banks incorporated in this State	180 00	1,254 00	241 00	4451 00	2,705 80	1,556 00
Bills of other banks without this State	95,311 39	132 00	500 00	-	459 00	798 00
Balances due from other banks	10,227 27	69,204 67	20,162 09	26,236 91	13,282 70	50,110 34
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks	28,737 00	311,817 52	67,171 88	59,464 73	119,114 63	76,113 83
Total amount of the resources of the bank	124,069 55	421,924 16	103,316 47	92,153 64	138,105 41	132,150 78

\* Return dated on the first Monday of October.

† Including furniture, safes, &c.

‡ Banking room.

§ Including bills of other banks without this State.

¶ Including sight draft and check.

*Abstract from the returns of the banks in Maine—Continued.*

	DUE FROM THE BANK.				
	South Berwick Bank.	Skowhegan Bank.	Ticonic Bank.	Thomaston Bank.	York Bank.
Capital stock . . . . .	-	-	\$75,000 00	\$50,000 00	\$75,000 00
Bills in circulation . . . . .	-	-	55,442 00	48,545 00	56,367 00
Net profits on hand . . . . .	-	-	2,471 71	1,172 40	3,643 23
Balances due to other banks . . . . .	-	-	85 95	-	-
Cash deposited, including all sums whatsoever due from the bank not bearing interest, its bills in circulation, profits and balances due to other banks excepted . . . . .	-	-	*14,579 34	53,339 79	31,877 72
Cash deposited bearing interest . . . . .	-	-	-	-	-
<b>Total amount due from the bank . . . . .</b>	-	-	<b>147,579 00</b>	<b>153,057 19</b>	<b>166,887 95</b>

\* Including \$260 unpaid dividends.

	RESOURCES OF THE BANK.				
	South Berwick Bank.	Skowhegan Bank.	Ticonic Bank.	Thomaston Bank.	York Bank.
Gold, silver, and other coined metals in its banking-house . . . . .	-	-	\$3,709 28	\$5,706 33	\$6,219 98
Real estate . . . . .	-	-	3,317 00	5,397 97	9,242 30
Bills of other banks incorporated in this State . . . . .	-	-	7,921 00	610 00	340 00
Bills of other banks without this State . . . . .	-	-	1,554 00	1,003 00	462 00
Balances due from other banks . . . . .	-	-	*20,228 37	68,361 93	46,119 65
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks . . . . .	-	-	105,749 35	171,974 96	104,401 02
<b>Total amount of the resources of the bank . . . . .</b>	-	-	<b>147,579 00</b>	<b>153,057 19</b>	<b>166,887 95</b>

\* Including \$3,000 special deposits in Suffolk Bank.

† This sum includes a loss by robbery of \$6,814 71.

Abstract from the returns of

Names and location of banks.	DIVIDENDS.			
	Date of incorporation.	When rechartered or continued.	Rate and amount of last dividend.	When declared.
Androscoggin, Topsham - Augusta, Augusta	Feb. 1, 1834	-	3 per cent. \$1,500	July 7, 1845
Bank of Bangor, Bangor	Jan. 21, 1814	April 1, 1831	3 " 3,300	April 7, 1845
Bank of Cumberland, Portland	Feb. 12, 1834	-	3 " 3,000	April 1, 1845
Bank of Westbrook, Westbrook	Mar. 19, 1835	-	3 1/2 " 3,500	Oct. 4, 1845
Bellast, Belfast	April 1, 1836	-	3 1/2 " 1,750	Oct. 4, 1845
Brunswick, Brunswick	April 1, 1836	-	4 " 2,000	April 7, 1845
Canal, Portland	April 1, 1836	-	3 " 2,250	Oct. 2, 1845
Casco, Portland	Feb. 19, 1825	Feb. 23, 1832	3 " 12,000	Oct. 4, 1845
Central, Hallowell	Feb. 18, 1824	April 1, 1831	3 " 9,000	April, 1845
Commercial, Bath	Feb. 22, 1825	April 1, 1831	\$2 on a share 1,700	April 7, 1845
Catais, Catais	Feb. 16, 1832	-	3 1/2 per cent. 1,750	Oct. 2, 1845
Eastern, Bangor	April 1, 1831	-	3 " 1,500	July 15, 1845
Franklin, Gardiner	Mar. 21, 1835	-	3 " 1,500	Oct. 6, 1845
Freeman's, Augusta	Mar. 9, 1832	-	3 " 1,500	April 7, 1845
Frontier, Eastport	Mar. 2, 1833	-	3 " 1,500	July 7, 1845
Granite, Augusta	April 1, 1836	-	3 " 2,250	Oct. 1, 1845
Gardiner, Gardiner	April 1, 1836	-	3 " 2,250	July 1, 1845
Kenduskeag, Bangor	Jan. 31, 1814	April 1, 1831	3 " 3,000	Sept. 1, 1845
Lincoln, Bath	Feb. 26, 1832	-	4 " 4,000	Oct. 1, 1845
Lime Rock, Thomaston, (East)	June 16, 1813	Feb. 11, 1832	5 " 5,000	July 1, 1845
Manufacturers', Saco	April 1, 1836	-	3 " 1,500	Apr'l 11, 1845
Manufacturers & Traders', Portland	Feb. 23, 1825	April 1, 1831	3 " 3,000	April 7, 1845
Mariuers', Wiscasset	Feb. 27, 1832	-	4 " 3,000	Sept. 30, 1845
Mercantile, Bangor	Mar. 21, 1835	-	3 " 1,500	April 8, 1845
Merchants', Portland	Feb. 21, 1833	-	3 " 3,000	Oct. 7, 1839
Medomak, Waldoborough	Feb. 19, 1825	April 1, 1831	3 1/2 " 5,000	Sept. 30, 1845
Meganticook, Camden	April 1, 1836	-	3 " 1,500	Sept. 4, 1845
Norberta, Hallowell	April 1, 1836	-	3 " 1,470	June 7, 1845
Sagadahock, Bath	Mar. 2, 1833	-	3 " 2,250	Sept. 1, 1845
South Berwick, S. Berwick	April 1, 1836	-	3 1/2 " 1,750	Oct. 1, 1845
Skowhegan, Skowhegan	Jan. 31, 1823	-	-	-
Ticonic, Waterville	Mar. 4, 1833	-	-	-
Thomaston, Thomaston	April 1, 1831	-	3 " 2,250	April 7, 1845
York, Saco	Feb. 22, 1825	April 1, 1831	2 " 1,000	April 7, 1845
	April 1, 1831	-	3 " 2,250	Oct. 4, 1845
			93,720	

the banks in Maine—Continued.

RESERVED PROFITS, DOUBTFUL DEBTS, &c.

Amount of reserved profits at the time of declaring the last dividend.	Amount of debts due and not paid, and considered as doubtful.	Bills in circulation under five dollars.	Am't due from president and directors as principals.	Am't due from president and directors as sureties.	Am't due from stockholders as principals, exclusive of directors.
\$4,593 16	-	About \$1,500 00	\$4,596 00	\$3,312 00	\$2,539 63
718 50	-	-	3,600 00	9,398 98	3,000 00
8,619 58	\$1,186 87	About 33,000 00	5,938 86	16,255 97	None.
544 20	-	About 13,000 00	350 71	3,958 49	10,260 72
263 84	About 500 00	10,311 00	900 00	725 00	13,948 14
956 50	-	About 8,500 00	4,950 00	5,130 00	2,426 26
163 42	-	About 5,000 00	14,624 35	8,662 28	4,372 81
3,738 20	-	About 20,000 00	7,900 00	11,227 12	200 00
3,933 31	-	About 13,909 00	48,152 77	28,543 79	7,221 75
7,584 00	1,100 00	About 10,000 00	Nothing	1,000 00	16,600 00
32 16	None	About 6,000 00	8,372 44	10,288 07	5,589 00
1,473 35	Uncertain	-	2,760 00	500 00	Nothing.
1,573 51	Uncertain	About 12,000 00	7,752 87	112,646 72	-
49 53	Uncertain	About 6,000 00	10,300 00	3,374 06	2535 00
1,517 61	About 4,000 00	-	5,750 00	3,000 00	13,000 00
1,634 64	-	8,879 00	4,678 85	11,479 34	18,922 61
803 36	1,575 00	Am't unknown	2,288 15	2,731 27	6,850 00
7,547 25	6,242 00	About 10,000 00	-	709 31	9,806 25
2,652 55	Unknown	About 5,000 00	16,611 99	14,589 19	Nothing.
292 98	None	About 3,200 00	3,380 00	6,793 42	11,249 00
270 31	750 00	3,199 00	4,105 00	4,976 00	8,437 00
683 63	Uncertain	17,313 00	359 28	2,028 30	5,155 95
1,251 10	None	About 7,200 00	6,750 00	3,398 55	180 00
532 89	1,500 00	About 4,600 00	4,960 25	1,418 00	8,350 27
299 48	-	14,273 00	3,756 32	23,625 20	-
6,331 30	None	About 18,000 00	1,500 00	1,647 96	8,800 00
None	About 800 00	About 7,000 00	6,618 53	1,828 53	39,810 10
100 52	Uncertain	(\$)	6,621 45	3,199 80	4,872 95
2,841 82	-	About 9,000 00	3,300 00	13,649 91	12,798 12
Ab't 100 00	None	About 2,000 00	2,900 39	4,008 47	5,812 06
1,142 40	Uncertain	About 8,000 00	None	3,940 00	4,260 00
3,643 23	Uncertain	About 5,000 00	1,528 30	7,454 85	4,015 00
	Uncertain	8,826 00	7,224 20	7,956 04	1,987 53
65,893 36	17,653 87	273,810 00	202,564 71	233,486 62	231,000 15

\* Exclusive of directors. † As drawers of drafts for lumber sold. ‡ Exclusive of directors. § No means of information, as the account was not taken that day.

## Abstract from the returns of the banks in Maine—Continued.

## REGAPITULATION.

Capital stock paid in	\$2,864,000 00	Gold, silver, &c., in banks	\$205,588 49
Bills in circulation	2,216,380 00	Real estate	217,235 23
Net profits on hand	112,585 85	Bills of banks in this State	114,149 76
Balances due other banks	79,873 66	Bills of banks elsewhere	78,640 14
Cash deposited, &c., not bearing interest	1,304,400 91	Balance due from other banks	1,118,159 67
Cash deposited bearing interest	150,733 82	Due to the banks, excepting balances	5,014,200 95
Total amount due from the banks	6,747,974 24	Total amount of resources of the banks	6,747,974 24

## DIVIDENDS, &amp;c.

Amount of last semi-annual dividend	\$93,720 00
Amount of reserved profits	65,898 36
Debts due and considered as doubtful	17,653 87
Amount of bills in circulation under five dollars	273,810 00
Amount due from president and directors as principals	202,564 71
Amount due from president and directors as sureties	233,486 62
Amount due from stockholders as principals	431,000 15

## REMARKS.

No returns have been received from the South Berwick and Skowhegan banks. Acts were passed by the last legislature, allowing extension of time to the following banks to close their concerns, to wit:

- City Bank, one year from April 6, 1845.
- Maine Bank, two years from March 22, 1845.
- Negumkeag Bank, fifteen months from April 1, 1845.
- Portland Bank, two years from April 1, 1845.

## APPENDIX.

## List of banks which have been allowed to increase their capital stock.

Banks.	Date of increase.	Amount of increase.
Augusta*	Feb. 23, 1837	\$25,000 00
Bank of Cumberland	April 1, 1836	50,000 00
Casco	Feb. 21, 1825	100,000 00
Casco	Mar. 19, 1835	100,000 00
Canal	Feb. 23, 1832	100,000 00
Calais	Feb. 8, 1834	50,000 00
Calais	Mar. 20, 1835	50,000 00
Central	Jan. 27, 1832	35,000 00
Kenduskeag	Jan. 24, 1833	50,000 00
Manufacturers and Traders	Feb. 20, 1833	50,000 00
Manufacturers and Traders	Jan. 31, 1834	50,000 00
Merchants	Jan. 27, 1834	75,000 00
Northern	April 1, 1836	25,000 00
Skowhegan	April 1, 1836	25,000 00
Ticonic	April 1, 1836	25,000 00
York	Feb. 15, 1834	25,000 00
York	April 1, 1836	25,000 00

\* Actual increase only \$10,000, the amount of State stock.

## APPENDIX—Continued.

## List of banks which have reduced their capital stock.

Banks.	Date of the act.	Amount of reduction.
Manufacturers and Traders	Feb. 15, 1839	\$37,500 00
Bank of Cumberland	Mar. 5, 1841	100,000 00
Mercantile	Mar. 9, 1841	50,000 00
Calais	Mar. 16, 1841	50,000 00
Central*	Mar. 16, 1841	35,000 00
Frontier	Mar. 16, 1841	25,000 00
Bank of Cumberland	Mar. 4, 1839	50,000 00
Eastern	Mar. 22, 1839	50,000 00
Manufacturers and Traders	Mar. 16, 1841	37,500 00
York	Ap'l 13, 1841	25,000 00
Granite	Ap'l 16, 1841	25,000 00

\* As the commissioners appointed under the act authorizing a reduction of its capital stock have never reported in regard to its affairs, no legal dividend of its capital stock has been made.

## List of banks which have surrendered their charters since 1842.

Banks.	Date of surrender.	Time allowed for closing their concerns.
St. Croix	Ap'l 17, 1842	3 years.
Maine	Mar. 27, 1843	2 years.
Bank of Portland	April 4, 1843	2 years.
Negumkeag	April 1, 1843	2 years.
Union	June 1, 1843	2 years.

*Synopsis of returns of banks in the State of Maine, from January, 1841, to May, 1846.*

	January, 1841. No. of banks, 47.	June, 1841. No. of banks, 43.	January, 1842. No. of banks, 40.	June, 1842. No. of banks, 39.	January, 1843. No. of banks, 40.	January, 1844. No. of banks, 35.
<b>DUE FROM THE BANKS.</b>						
Capital stock paid in	\$4,371,500 00	\$3,514,000 00	\$3,414,000 00	\$3,384,000 00	\$3,314,000 00	\$3,009,000 00
Bills in circulation	1,754,390 41	1,423,513 00	1,585,820 00	1,232,245 00	1,106,261 61	1,606,663 00
Net profits on hand	185,897 83	163,195 27	158,060 78	160,707 49	104,160 62	400,974 84
Balances due other banks	45,281 06	72,442 82	15,057 42	75,062 01	65,861 91	65,260 35
Cash deposited, &c., not bearing interest	733,834 98	606,331 64	702,508 27	561,223 63	512,017 79	937,498 27
Cash deposited bearing interest	136,909 73	117,777 71	118,318 01	64,136 94	91,734 24	81,114 84
<b>Total amount due from the banks</b>	<b>7,227,814 13</b>	<b>5,896,260 44</b>	<b>6,084,774 51</b>	<b>5,487,435 07</b>	<b>5,234,136 10</b>	<b>5,730,511 30</b>
<b>RESOURCES OF THE BANKS.</b>						
Gold, silver, &c., in banks	-	-	-	-	-	-
Real estate	209,730 52	232,401 52	183,861 65	184,041 39	175,201 79	223,769 58
Bills of banks in this State	323,750 62	193,443 23	216,968 66	211,118 93	256,148 96	263,637 92
Bills of banks elsewhere	146,550 41	95,626 76	108,978 24	91,798 29	75,374 49	101,667 12
Balances due from other banks	67,187 46	35,105 95	36,051 00	24,494 62	28,148 33	38,185 25
Due to the banks, excepting balances	600,804 32	368,973 48	551,305 50	275,618 09	283,501 84	885,010 18
	5,820,792 00	4,973,649 50	4,987,519 46	4,700,363 75	4,405,660 69	4,270,331 31
<b>Total amount of the resources of the banks</b>	<b>7,227,814 23</b>	<b>5,896,260 44</b>	<b>6,084,774 51</b>	<b>5,487,435 07</b>	<b>5,224,136 10</b>	<b>5,730,511 30</b>

*Synopsis of returns of banks in the State of Maine—Continued.*

	June, 1844. No. of banks, 35.	January, 1845. No. of banks, 35.	June, 1845. No. of banks, 35.	October, 1845. No. of banks, 35.	May, 1846. No. of banks, 35.
<b>DUE FROM THE BANKS.</b>					
Capital stock paid in	\$3,009,000 00	\$3,009,000 00	\$3,009,000 00	\$2,884,000 00	\$3,009,000 00
Bills in circulation	1,602,327 00	1,980,538 00	1,913,340 00	2,216,350 00	2,240,830 00
Net profits on hand	117,342 78	104,489 46	100,075 64	112,585 85	117,222 50
Balances due other banks	76,793 06	70,604 81	71,852 73	79,873 66	93,708 88
Cash deposited, &c., not bearing interest	887,170 34	1,116,461 65	1,086,636 72	1,304,400 91	1,058,626 42
Cash deposited bearing interest	143,381 69	173,256 73	145,962 09	150,733 82	199,120 84
<b>Total amount due from the banks</b>	<b>5,836,014 87</b>	<b>6,454,850 65</b>	<b>6,326,867 18</b>	<b>6,747,974 24</b>	<b>6,718,398 64</b>
<b>RESOURCES OF THE BANKS.</b>					
Gold, silver, &c., in banks	-	-	-	-	-
Real estate	224,106 85	192,445 69	192,373 51	205,588 49	219,088 50
Bills of banks in this State	254,055 80	243,720 91	239,225 94	217,235 23	191,714 98
Bills of banks elsewhere	83,823 72	126,708 54	93,764 56	114,149 76	76,319 00
Balances due from other banks	55,537 40	88,669 04	74,259 37	78,640 14	71,087 82
Due to the banks, excepting balances	551,986 65	1,015,942 02	744,277 35	1,118,159 67	769,095 12
	4,666,503 45	4,785,314 42	4,983,466 46	5,014,200 95	5,391,113 22
<b>Total amount of the resources of the banks</b>	<b>5,836,014 07</b>	<b>6,454,850 65</b>	<b>6,326,867 18</b>	<b>6,747,974 24</b>	<b>6,718,398 64</b>

## Synopsis of returns of banks in the State of Maine—Continued.

	January, 1841. No. of banks, 47.	June, 1841. No. of banks, 43.	January, 1842. No. of banks, 40.	June, 1842. No. of banks, 39.	January, 1843. No. of banks, 40.	January, 1844. No. of banks, 35.
DIVIDENDS, &c.						
Amount of last semi-annual dividend	\$112,650 00	\$118,311 66	\$102,180 00	\$102,305 00	\$91,130 00	\$86,216 00
Amount of reserved profits	111,371 21	111,012 21	122,419 45	116,447 20	67,234 02	63,818 14
Debts due and considered as doubtful	41,353 91	29,985 29	27,753 13	33,651 63	37,651 41	19,332 00
Amount of bills in circulation under five dollars	211,155 00	270,755 00	250,976 00	215,454 00	191,000 00	236,265 00
Amount due from presidents and directors, as principals	338,251 63	320,511 10	237,979 68	297,653 65	230,899 16	203,512 81
Amount due from presidents and directors, as sureties	343,080 81	305,611 31	289,961 15	253,685 39	265,953 39	214,912 48
Amount due from stockholders as principals, exclusive of directors	260,994 33	335,325 38	273,169 51	280,542 99	279,430 74	233,970 93

## Synopsis of returns of banks in the State of Maine—Continued.

	June, 1844. No. of banks, 35.	January, 1845. No. of banks, 35.	June, 1845. No. of banks, 35.	October, 1845. No. of banks, 35.	May, 1846. No. of banks, 35.
DIVIDENDS, &c.					
Amount of last semi-annual dividend	\$90,295 00	\$93,105 00	\$104,050 00	\$93,720 00	\$99,600 00
Amount of reserved profits	69,917 83	48,949 87	54,366 10	65,698 36	85,118 00
Debts due and considered as doubtful	24,378 68	20,064 87	20,474 67	17,653 87	4,656 87
Amount of bills in circulation under five dollars	219,617 00	272,351 00	263,389 00	273,810 00	282,337 00
Amount due from presidents and directors, as principals	218,448 87	201,256 71	228,592 01	202,564 71	217,738 63
Amount due from presidents and directors, as sureties	231,935 72	237,120 51	227,616 85	233,486 62	204,804 73
Amount due from stockholders, as principals, exclusive of directors	222,591 45	254,170 46	197,610 31	231,000 15	214,422 97

Note.—This synopsis has been prepared in the Treasury Department.