BANKS OF SOUTH CAROLINA.

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N 1.

Extract from the message of his excellency B. K. Henagan, Governor of South Carolina, to the Legislature of that State, November 27, 1840.

For the financial condition of the State, I refer you to the reports of the comptroller general, and the president of the Bank of the State of South Carolina. In these reports there is much matter worthy of your most grave consideration. For some years past the State has anticipated her income, and permitted her expenditures to exceed it. To cover the deficit, the funds of the bank have been seized upon, and diverted temporarily from their legitimate employment; by which its operations are necessarily deranged and its effective power weakened. The increased abstraction of its funds has given rise to well-founded alarm in those who administer its affairs, as well as in the officer who is at the head of your finances. The comptroller general has forcibly exhibited the dangerous tendency of these measures to cripple, and perhaps even to destroy, the usefulness of the bank. The events of the last year are pregnant with warning, and the president and directors have with proper earnestness and fidelity called your attention to them. Amidst difficulties and embarrassments unexampled in its history, they have firmly met the crisis of the past year, paid off eight hundred thousand dollars of the debt of the State, and discharged with punctuality every liability presented against the State or the institution. But, whether the other heavy debts of the State will be met with equal punctuality, and the bank continue to discharge all the other functions assigned to it by the public, in its future administration, must depend in no small degree on your abstaining from the use of its funds. Of its perfect ability to perform all that has been assigned it, if not further interfered with, there can be no doubt. Its condition is sound—its business wholesome and profitable; but these derangements of its operations may prove serious impediments to its success, and even, in the end, if continued, render it unable to fulfil those engagements for which the State has solemnly plighted her honor. Your attention is earnestly invoked to this subject, in the confident expectation that your wisdom will provide in time a remedy, and protect, in all its vigor, an institution that shares so largely in the confidence and favor of the State.

With the view of giving you as much information as possible, in relation to our banking institutions, I addressed a circular to the respective officers, and have the honor to transmit their reports, as an accompanying document of this message. I believe I hazard nothing when I say that they exhibit a comparatively sound condition, and that the banks of no State in the Union are entitled to higher confidence. The whole country has suffered from the abuses of the banking system; and it is not to be disguised that in South Carolina, too, this tremendous power has been directed to ends not legitimate. It is not my purpose to wage war upon the banks, but against their abuses; I would not destroy, but regulate them. Incorporated as they are into our political institutions, and forming a most material part of them, I regard their annihilation not as a blessing, but the certain presage of widespread ruin. But banks, in the presumed plenitude of their power, should not be permitted to do as they please. Their chartered privileges give them no right to violate sacred obligations and perpetrate outrageous injustice. They have no independent corporate existence, apart from those conditions, implied as well as expressed, which gave them being. In the nature of things, a bank can have no exclusive right to sport with the demands of common justice; and it is a monstrous perversion to say that the Legislature ever intended to confer this extraordinary privilege. I would not violate the sanctity of chartered rights, but I cannot sanction that doctrine which places banks entirely beyond the reach of the Legislature. The recent suspension of specie payments by most of the banks of our State calls for some decisive action. The legal remedy which the bill-holder has, amounts to nothing. In modern times, the refusal to redeem a note is a common bank operation; and he must be endowed with more than ordinary firmness who will make the demand, as he is sure to encounter the insulting, contumacious spirit of a chartered gentleman. It is your province to provide against these disgraceful bank suspensions, and your wisdom will suggest the measures best adapted to the exigency.

N 2.

Bank report, accompanying the Governor's message of November 27, 1840.

BANK OF THE STATE OF SOUTH CAROLINA,
Charleston, November 16, 1840.

SIR: In compliance with your circular, I herewith transmit a statement of the condition and affairs of this bank. I also transmit you a copy of the annual report of the president and directors, (of which this statement is one of the exhibits,) which will be laid by them before the Legislature at its ensuing session; exhibiting the operations of the bank from the 30th day of September, 1839, to the 1st day of October, 1840; with such views and reflections thereon as they have felt it their duty to lay before the Legislature.

I am, sir, with great respect and consideration, your obedient servant,

F. H. ELMORE, *President.*

To His Excellency B. K. HENAGAN,
Governor of the State of South Carolina.

To the honorable the Senate and House of Representatives of the State of South Carolina:

The president and directors of the Bank of the State of South Carolina

RESPECTFULLY REPORT:

That the profits of the bank from the 30th day of September, 1839, to the 1st day of October, 1840, including interest received on the bonds for money loaned for rebuilding the city of Charleston, amounted to the sum of one hundred and eighty-two thousand five hundred and twenty-six dollars and seventy-seven cents, ($182,526 77.) Of this sum, thirty-two thousand nine hundred and seventy dollars and nine cents, ($32,970 09,) the whole amount

received as interest on the fire-loan bonds, was paid towards the interest of the bonds of the State sold in Europe to raise that fund. The further sum of ten thousand eight hundred and ninety-nine dollars and thirty-five cents, ($10,899 35,) was paid for interest on the State stock issued to raise the second million; the further sum of twenty-eight thousand six hundred and fifty-seven dollars and thirty-three cents ($28,657 33) was reserved to cover the bad and doubtful debts, which, contracted through several years past, have been suspended in hopes of payment; and one hundred and ten thousand dollars ($110,000) have been transferred to the credit of the sinking fund. The usual tabular statements accompany this report, showing in detail the operations of the bank, and its branches at Columbia and Camden, and the conditions of the several funds under its charge. There are also some other tables and statements presented herewith, intended to illustrate such views as the board have thought it their duty to submit, and which they will refer to more particularly in the course of this report.

The diminished income derived from the operations of the bank during the past year, as compared with other years, as well as considerations bearing upon its future usefulness and ability to fulfil the expectations of the State in redeeming the public debt, make it our duty to submit some explanations of the circumstances and causes which have influenced and produced this result. Of the causes, several were sufficiently powerful, singly, to have diminished considerably the profits of the year; and coming, as they have done, altogether, at a time the most unpropitious for the bank that could have happened, it is a source of pride to those who knew the difficulties which surrounded us on all sides, that we have been able, not only to sustain the payments of specie, but, at the same time, to meet and discharge every obligation of the State, maintain its honor and credit, and turn over, to the public use, a moderate dividend. Not a single bad debt has been contracted, while a large amount of those which had gradually accumulated in the course of previous years, have been carried to profit and loss. The severity of the tests applied during the past year evince the soundness of the bank, and will, we trust, be taken as evidence that the confidence the State has reposed in it has not been misplaced. When it is remembered that the available means of the institution have been decreased nearly one million and a quarter of dollars for this year, as compared with the past, combined with other causes which will be explained hereafter, it will be seen that the result of the year's business has been quite as favorable as we had a right to expect.

For many years the commercial world has not known a period of greater difficulty than that just passed. At no time has the scarcity of money, and the derangement of exchanges and commerce, been greater than during the earlier part of it. We have not been exempt from the common lot, but have had our full share of suffering. At the beginning of this fiscal year, the circulation of our banks was barely more than one-half of what it was in 1837; and before its close, it has been so much more reduced, that probably not more than one third of what was the circulation in 1837, was left for the trade and business of the people.

The effect of this state of things on our profits has been obviously unpropitious, in disabling our debtors to meet their engagements with punctuality. The depressed state of trade, and scarcity of money in our foreign markets, had already brought down the prices of our staples to a very low standard; but this contraction of the circulation, so great in amount, and so rapid in its

perpetration, by reducing, not only these prices still lower, but the values of all kinds of property, added greatly to the pressure and distress. Payments into the bank were made with difficulty by most of its debtors, and in too many instances we have been unable to procure any.

It was in this state of things that the public debt of eight hundred thousand dollars of six per cent. stock, issued under the act of 20th December, 1820, became due; the redemption of which was charged upon the sinking fund. The payment was promptly met; and during the month of January last, as presented, the whole of the stock (except $1,204 04 not presented) was redeemed. The payment of so large an amount from the bank could not be made at any period without causing a great contraction in its business and inconvenience to the community; but at this time it bore with peculiar hardship on the debtors of the institution. The board of directors, fully alive to the necessity of preserving the honor of the State, resolutely enforced sufficient collections to meet this and other demands, which were accumulating with a fearful and concentrated power on the bank. The demand for specie had been unintermittingly kept up upon the institution from August, 1839; in one year from that day, $391,000 had been drawn from our bank. Unaided, after the suspension of 1839, in sustaining specie payments, except by the Bank of Charleston, the current was turned heavily upon us. Our bills of all denominations, even to the ones and twos, issued to accommodate the community with change, were collected, and the specie drawn for them. The extent of these demands upon us will appear when we state that we redeemed of our circulation, with specie, from 30th of September, 1839, to 1st October, 1840, $288,000.

It will be seen, by referring to the table marked No. 9, that the individual deposites were about the same time greatly reduced, being drawn out at the very moment that the bank was hardest pressed. The monthly average of the deposites for the four last fiscal years were as follows:

1st October, 1836,	to	1st October, 1837,	monthly average	-	$679,000
" 1837,	"	1838,	"	-	618,250
" 1838,	"	1839,	"	-	502,500
" 1839,	"	1840,	"	-	338,000

During the same period the payments on the fire-loans were excessively heavy, being two hundred and seventy-six thousand four hundred and forty dollars, ($276,440;) and the payments of interest on the public debt amounted to the further sum of $91,455 55. The bank was also in advance at one time one hundred and twenty-one thousand two hundred and sixteen dollars and twenty-three cents ($121,216 23) to the public treasury, for money drawn out during the most trying and difficult period of the year.

Between the 30th day of September, 1839, and the 1st October, 1840, the bank met and discharged the following liabilities for the State and itself:

Of six per cent. stock of 1820 - - - - -	$798,895 96
Interest on public debt - - - - -	61,455 55
Fourth instalment of the Louisville, Cincinnati, and Charleston Railroad Company, for State - - -	50,000 00
Fourth, fifth, and sixth instalments on stock held by bank -	7,500 00
For interest and expenses on the loan for rebuilding Charleston	62,889 44
To borrowers on the fire-loans - - - -	265,440 00
To individual depositors - - - - -	100,000 00
Specie, in redeeming its bills - - - -	288,000 00
	1,675,077 95

Brought forward	$1,675,077 95
During the year, the bank received, by the exchange of six per cents of the fire-loan stock for six per cents of 1820, $286,000, and a further amount of $141,151 10, by the sales of other certificates of the same stock: making, in all	427,151 10
Leaving a total paid out by the bank, beyond what was thus received, and a diminution of its available means in the year's business, of	$1,247,926 85

The exchanges of the fire-loan sixes for those of 1820 took place at the first of the year; and the sales of the remainder were made, in most cases, in the latter part of it; so that near $1,200,000 of the foregoing transactions were between the 1st October, 1839, and the 1st June, 1840, embracing the active season of our business.

It was during the severest period of this pressure, caused by these exhausting demands, that the funds of the State treasury gave out, and the whole burden of sustaining the State Government devolved upon the bank. By this event, we were deprived of the use of a large amount of ready money, averaging, for the first four months of this year, nearly one hundred thousand dollars, ($100,000.) The consequence was very unfortunate for the bank; it lost the income of this fund during the most profitable season of the year. And not only so; but, by its abstraction, was exposed to the loss of nearly an equal amount of its specie, which cost us a considerable sum to replace. To explain this more clearly, let it be borne in mind, that the only paper in actual circulation was that of the suspended banks. All payments into the Bank of the State, and all the ordinary transactions around, were made in that paper. The bills of the Bank of the State were a commodity sold at a premium of 3 per cent., as equivalent to specie. All payments were therefore made from the bank, as far as possible, in other bills than its own; but when these were exhausted, its own bills were necessarily paid to the public, or bank creditor. Under the exhausting payments, before stated, this occurred occasionally; and the bills, invariably, were returned upon us to be redeemed in specie. If the bank had been left in possession of this large amount of its own funds, they would have been employed in providing exchanges, which would have been received in lieu of specie, or readily converted into it; and while the operation would have rendered important aid to trade and business generally, a profit would have been realized, and the expense necessarily incurred in replacing the specie drawn out saved to the bank. On the other hand, in consequence of its abstraction we were compelled to press our debtors still more, staggering as they were under burdens almost insupportable, for the means to discharge the treasury checks. The effect may be judged by the simple fact, which is exhibited in the table of our discounts, (marked Nos. 11 and 12,) by which it will be seen that we had called in and reduced the discount line of the parent bank, between the 1st of October and the 1st of April, from $1,526,459, to $1,097,824, or the enormous amount of $428,635 in six months. These heavy curtailments fell chiefly on the commercial community of Charleston. At the branches, the same system was carried out as far as possible; they were called upon to contribute their shares to the same purpose; and, from October to May, their discounts were contracted one hundred and sixty-four thousand seven hundred and thirty-one dollars and sixty cents.

We cannot permit the present occasion to pass by, without calling earnestly the attention of the Legislature to the consequences of a continuance of this system of throwing the burdens and expenses of the State on the funds of the bank. The State is indebted for the following stocks, redeemable as follows:

5	per cents	of 1822,	redeemable in January,	1842	$200,000 00
5	do	1824,	do do	1845	250,000 00
6	do	1826,	do do	1846	300,000 00
6	do	1839,	do do	1848	200,000 00
6	do	1839,	do do	1850	200,000 00
9	do	1826,	Mrs. Randolph,	1850	10,000 00
6	do	1839,	redeemable in July,	1852	200,000 00
5	do	1838,	do do	1858	517,777 78
5	do	1838,	do do	1868	517,777 77
6	do	1838,	do 1st January,	1860	482,222 23
6	do	1838,	do do	1870	482,222 22
					3,360,000 00

To redeem this heavy debt, the Legislature has, by successive acts, pledged not only the profits of the bank, but the capital also. How far prudence may dictate, and good faith require that the bank shall be left in possession of her own funds, to make a fair profit for the redemption of these stocks as they fall due, is respectfully submitted to the consideration of the Legislature. For several years the expenditures have exceeded the income of the State, and threaten hereafter to absorb the available means of the bank at the most important season for business. The balances in the treasury, for five years, have been as follows:

1st October,	1836,	balance in the Treasury was	- -	$382,124 62
"	1837,	" "	- -	296,049 03
"	1838,	" "	- -	172,913 88
"	1839,	" "	- -	113,087 68
"	1840,	" "	- -	62,426 16

On the 1st October, 1839, the State had $113,087 68 in the treasury, and before the end of December it was in debt to the bank $23,442 41. On the 1st October, 1840, there was only $62,426 16 in the treasury, while there were undrawn appropriations to the amount of $68,893 20 to be met, besides all the necessary expenses of the State, until the taxes are paid in on the 1st June, 1841. These expenses, if no appropriations for other purposes are made at the present session, will require upwards of $200,000 more, before the 1st of June 1841, all of which may be drawn out of the bank. This steady increase of the expenditures over the income, and its corresponding encroachment on the funds of the bank, if persisted in, will inevitably endanger its ability to meet, from its profits, the several engagements for which the honor and faith of the State stand solemnly pledged, and which the people expect the bank to redeem; and, in consequence, its capital must be taken, or the faith and honor of the State broken. On the other hand, if the integrity of its funds is preserved, and its means and resources left to it, besides redeeming from its profits all the debts of the State for which it stands pledged, it will, it is confidently believed, be able to carry into effect the objects

for which it was instituted, giving a wholesome and safe support to the great interests of the State.

The matters above submitted for your consideration are every day acquiring additional weight, from the unsettled state of the money market and the deranged condition of trade. Whilst specie payments are not resumed generally in our own country, and especially in Georgia, disturbing causes of great magnitude are agitating every country with which our commercial connexions are of any importance, and admonish us of the necessity of great prudence in the management of our affairs. The hostile attitude of the powers of Europe towards each other, and the large shipments of specie in that direction, should neither be unheeded, nor the possible consequences overlooked. Should a general war ensue amongst them, we may look for an increased drain of our specie, and a diminished demand for our cottons: the extent of either we may not be able to foresee; but the effect, it can scarcely be doubted, will be to produce a greater pressure on, and more distress amongst, those who are in debt. If such a condition of affairs should unhappily come upon us, we shall be in a crisis not unlike that in which this institution was created for the aid of the community, and if it is desirable that it should be in a condition, should such an event occur, to afford similar assistance to the people, great care is necessary not to lessen its means nor to impair its resources. After the extraordinary exertions of the last year, and the payment of such heavy sums from its coffers, some time and rest are necessary, to get it again in the command of active means sufficient for the full and vigorous prosecution of all its duties.

Bonds and Mortgages.

In the annual statement of the bank, it will be seen that the present amount of the bonds secured by mortgages has been decreased since the last annual report. The payments in this department of our business have been small, compared with those on notes. This debt is chiefly owed by the planters. In some instances the rice crop has been an entire failure, and in others it has been very short. The cotton crop was large, but its abundance created heavy charges in preparing it for, and getting it to markets, which were already overstocked; and, in consequence, the prices realized have been inadequate returns for the labor and capital employed in its production: a very small amount was consequently received from this source on their bonds. The condition of the bank, at the same time, prevented an increase of loans in this way, as it must continue to do while its situation remains as it is at present, and its funds are diverted from their legitimate functions.

Sinking Fund.

No. 5 is a report which exhibits the present amount and condition of the sinking fund. The large increase to it now exhibited is occasioned by the transfer of $600,000 of the surplus revenue, appropriated formerly for the subscription of the State to the Louisville, Cincinnati, and Charleston railroad, and which has been so transferred by virtue of the act of the last session, providing for an advance by the State to that company of $600,000 of State stock, in lieu of instalments to be paid out of this fund.

Fire Loans.

Nos. 7 and 8 contain the annual report of the fire-loan fund, as required by the act of June 1st, 1838. It will be observed, that the whole amount

of the interest received on these bonds is only thirty-two thousand nine hundred and seventy dollars and nine cents, ($32,970 09,) while the interest paid for it in Europe, for the same time, is fifty-eight thousand one hundred and nine-three dollars and ninety-nine cents, ($58,193 99,) which, with one quarter's interest paid last year, and other expenses, exhibits a balance on its interest and expense account, of fifty-three thousand one hundred and ninety dollars and ten cents, ($53,190 10,) which the bank is in advance for. The arrears of interest due, and daily becoming due, on the loans, will, in due time, extinguish this balance.

The act of 21st December, 1839, extending the time within which applications might be made for the benefit of loans, until the 1st June, 1841, contained no provision requiring the guaranty of the city of Charleston. There were also some other classes of cases which the board thought were not covered by the guaranty already given, but which came within the spirit of the law. Upon calling the attention of the City Council to these cases, and requesting that body to remove all doubt on the subject, by either including all these cases in the guaranty, or refusing to do so, an ordinance was promptly passed on the 11th May, by which the same security is given in every case of loans made, or to be made, under the several acts on this subject.

The bonds of the State which were in the hands of Messrs. Baring, Brothers, & Co. in London, for sale, amounting to two hundred and seventeen thousand five hundred pounds sterling, (£217,500,) and which President Rose informed the Legislature, in the last annual report, had been recalled, have all been received at the bank, and, in the presence of the comptroller general, destroyed. Finding no purchasers for the State stock issued in lieu thereof, except in small sums, which were sold at par, the board determined to close that account by charging the bank with the remaining stock. That fund is now credited with the whole amount of the two millions, and the bank charged with the stock then unsold.

In directing your attention to the considerable sums of money vested in these loans, and the great amount of property bound for its repayment, it may be well to have in view, at an early day, such measures as may give the greatest market value to the property mortgaged. If compelled to sell, the whole power of deciding that measure is with this board. The title to the property is changed by its decree; and it is respectfully suggested, whether an additional price would not be readily given by a purchaser, if assured of immediate possession; and whether some proceeding, analogous to that provided for in the act of 1817 between landlord and tenant, might not be advantageously enacted for that purpose.

Some legislative provision is necessary to regulate the transfers of this stock from one purchaser to another. Other State stocks are transferred at the treasury; but as every thing else relating to this fund is transacted through the bank, it would preserve the unity of the proceedings, and add but little to the duties of its officers, to have this done at the same place: the transfers being signed by the President, and countersigned by the cashier.

Signing bills.

In December, 1818, an act passed the Legislature authorizing the president and directors of the branches of this bank, under such regulations as might be prescribed by this board, to sign small bills for circulation. This

act was repealed in December, 1837, and the duty temporarily transferred to a clerk. The time limited has expired; and it is respectfully submitted to the Legislature, that a new provision shall be enacted, authorizing this board to have such bills, of and under the denomination of ten dollars, signed by the presidents and cashiers of the branches, or by a clerk, as they may deem advisable, under such regulations as they may prescribe. The propriety of this recommendation will be apparent, if the following circumstances are considered. In his report of 1st October, 1837, President Colcock, in recommending that this duty should be devolved on a clerk, makes the following remark: "But the business of the bank has of late years been so much increased, that the president and cashier are at all times fully occupied in business of much greater importance than signing these small bills." These duties have been greatly increased since then; and it may be safely said, that at this time they are twice as great as they were ten years ago. The increase of capital and business by the fire loans, the supervision and management of the several funds under the charge of the bank, the various and multiplied questions and matters which are hourly arising out of them, and the connexions and correspondence they have created, foreign and domestic, leave but little time to bestow on a duty which is merely mechanical, and can be as well and as safely performed by others who have greatly more time and leisure for it. During the past year this board has counted and destroyed ($801,650) eight hundred and one thousand six hundred and fifty dollars of the old issues; and an entirely new issue of bills will be made as soon as practicable, which will render the provision asked for very desirable.

Agencies.

By the 12th section of "An act concerning the Bank of the State of South Carolina," passed December 17, 1831, authority was given to this board to establish an agency at New York. This power has been acted upon; and the benefit arising from it, in promoting the business of the bank, has been found so decided, that it has been deemed expedient to ask for a general power to establish similar agencies wherever the interests of the bank may require them, and its means permit. The advantages of such connexions are often very great, in regulating exchanges and promoting a sound state of trade.

Resolution on the currency.

On the 19th December, 1838, the Legislature passed the following resolution:

"*Resolved*, That the president and directors of the Bank of the State of South Carolina be authorized and requested to take such measures as in their judgment may be deemed proper, to preserve at par, throughout the State, the bills which may be issued by any bank within its limits."

While this continues the will of the Legislature, the bank considers itself bound, under instructions, to carry this resolution into effect as far as practicable; but, at the same time, this board is fully of opinion, that, in the late and present condition of its affairs, its power is not adequate to the task, if unaided by other institutions near it. Indeed, if there be not some radical change in the future fiscal action of the State, which will relieve it of exhaus-

tion from the treasury during the business season, it will require all its resources to preserve itself, and be without means to carry out this policy. If it is intended ever to resort to the circulation of our own notes again, for profit or public convenience, such a measure is indispensable to give them currency. From our circulation, as a legitimate source of income, the bank has, in former years, made large profits; these were the profits of the people, and passed into their treasury to pay their debts. In the present condition of things, however, this source is nearly cut off, and has sunk to nothing, comparatively. In the years 1833, '34, '35, and '36, this bank kept, upon an average, over $1,200,000 of its own bills, in actual circulation, which enabled it to give great accommodation to the people, and to carry large profits to the sinking fund; but recent events have contracted and driven this circulation back on the bank, until it now amounts to only $453,480, and was in June as low as $339,000. This has, no doubt, resulted, to a considerable extent, from general causes, arising out of commercial embarrassments, and great changes which have taken place in regard to business generally, especially the business of banking. It is clear that two bank issues of different values cannot have equal circulation in the same community; but, if that which has the lesser value has still sufficient credit to be received at its nominal par in payment of debts, and for ordinary business transactions, that it will supplant and drive the other out of circulation. There are, now, two such bank issues, which are offering for the circulation in the country: the one, emanating from the banks which redeem their bills at the centre of the trade and business of the State; and the other, from the banks that do not so redeem their bills. Charleston is the point where the business of the State concentrates. Here its produce is sold, and here its merchandise is purchased. Large amounts of money are necessarily due here from the country, and must be remitted in produce or money. If the latter is remitted, it will not be in the bills of the banks which are below par—for that is a certain loss; but they will be kept and paid out again, from hand to hand, while the bills of such as redeem here will be taken from the circulation, and sent back, as remittances, upon the banks which issue them. The bills of this bank have at all times had, throughout the State, the highest value, and have consequently been eagerly sought after for remittance, and constantly sent back upon us. In such a state of things, it is next to impossible to force them into general circulation; and this bank will not only be cut off from a valuable source of fair profit, but be crippled in its means of giving that aid and accommodation to the people, which was one of the great objects had in view at the creation of the institution.

Recently, the Southwestern Railroad Bank, the Bank of Charleston, and the Planters and Mechanics' Bank, seeing the necessity of a reform, and the propriety of providing for the maintenance of a sound and stable currency of equal value in all parts of the State, have, upon consultation, entered into an agreement by which it is believed a remedy will be provided and the proper corrective applied. Having proposed to this bank to co-operate with them, under the instructions of the resolution before recited, and the views which we have submitted, and others which might be adduced, this board did not feel at liberty to withhold their concurrence. As long as they continue to act in concert with us, on the basis agreed upon, the end proposed by the Legislature will be attained. But all such agreements, being voluntary, may be rescinded in a day, and it is unsafe to rely on them as permanent regulations. If the Legislature adheres to the policy of that reso-

lution, and intends that this bank shall carry it out, it should be careful not to cripple its operations, and to preserve its resources and powers equal to the great duty which it imposes. At the same time, if some general regulation could be enacted, by which no bank should pay out any bills but its own, it is believed it would promote the object in view, introduce a wholesome reform in banking, by which each bank would have to contribute to the furnishing and preserving a wholesome, sound, and stable currency, and the public have the most perfect security possible against future suspensions of specie payments, and the fluctuations in the value of bank-paper, and for its certain convertibility and redemption.

Your attention is again respectfully called to the debt of the Columbia Female Academy, released by the Legislature in December, 1833. The principal of that debt was $2,861 89, as reported by President Colcock to your honorable body in December, 1834 and 1835. This sum has been, by the act of the Legislature, taken from the capital of the bank; and should be either replaced, or that amount be credited by the comptroller general, and taken from the capital charged against it.

In the administration of its affairs during the past year, the board have been governed by an earnest desire to carry out the objects for which it is believed the bank was created by the State, viz: to promote the convenience and advance the prosperity of its citizens. Believing that gain in the shape of dividends was but a secondary consideration, they have not hesitated to submit to smaller profits, in a year of peculiar hardship and suffering, for more substantial public good. While they could not foster enterprise, nor aid industry, by loans, they have been careful to destroy no one; but, as far as was compatible with the public exigencies and the safety of their debts, have extended every forbearance practicable to those of their debtors, who, from accident, misfortune, or the casualties of the seasons, have been disabled for a time from meeting their obligations as they fell due. Although three per cent. below the par of our own, the bills of the suspended banks were received at our counter, because their refusal would have added materially to the embarrassments of the community; and during the suspension, for the same reason, the issues of our one and two-dollar bills was continued, although they were habitually collected and returned upon us for specie. With a like view, when the period approached for the payment of the taxes, which were required in specie or the bills of specie-paying banks, we felt bound to make an effort to put our bills within the reach of the people in the country. Small amounts of them were let out at Columbia, under the promise that they should be kept and paid in for taxes; and it was not until the almost immediate return of these bills for specie (frequently in the very packages in which they left our vaults) demonstrated the insufficiency of such precautions, and the impracticability of carrying our experiment into successful operation, that the effort was abandoned.

All of which is respectfully submitted.

F. H. ELMORE,

President Bank of the State of South Carolina.

NOVEMBER 16, 1840.

No. 1.—The general account for the bank.
No. 2.—Account for parent bank.
No. 3.—Account for Columbia branch.
No. 4.—Account for Camden branch.
No. 5.—Account for sinking fund.
No. 6.—Account for surplus revenue.
No. 7.—Account for fire-loan fund.
No. 8.—Account for interest and expense of fire loan.
No. 9.—Monthly table of individual deposites, for 1837, 1838, 1839, 1840.
No. 10.—Monthly table of bills and notes discounted at parent bank, for 1837, 1838, 1839, 1840.
No. 11.—Monthly table of bills and notes at the branches, for 1840.
No. 12.—Statement of the issues and circulation of bills of this bank from 1836 to 1840.

N—Continued.

DR. No. 1.—*Annual statement of the Bank of the State of South Carolina.* CR.

To capital	–	$1,156,318 48	By bills and notes discounted	$2,001,859 81	
To bank notes issued	$640,000 00		By bills, notes, and bonds in suit	250,908 74	
To bank notes issued at Columbia	30,200 00				$2,252,768 54
To bank notes issued under one dollar	86,550 00		By bonds secured by mortgages	–	670,991 24
		756,750 00	By bonds under the act for rebuilding the city of Charleston	–	932,860 00
To State treasurer, for sinking fund for redemption of 5 and 6 per cent. stock, and for the payment of interest thereon	709,228 97		By judgments	–	20,826 10
To discount and interest received, and transferred to sinking fund	110,000 00		By Hamburg agency	6,063 50	
		819,228 97	By Georgetown agency	7,975 20	14,038 70
To State treasurer, for surplus revenue, deposited by the United States	200,000 00		By Bank of Charleston stock	147,900 00	
To State of South Carolina, for loan under act for rebuilding the city of Charleston	2,000,000 00		By State 3 per cent. stock	30,263 25	
		2,200,000 00	By State 5 per cent. stock	88,880 10	
To State treasury, Charleston	49,417 82		By State 6 per cent. stock	531,598 07	
To State treasury, Columbia	13,083 34		By Commercial Bank stock	486 25	
		62,501 16	By Bank United States stock	9,184 00	
To drafts in transitu	–	5,953 11	By Southwestern Railroad Bank stock	12,500 00	
To individual deposites	–	420,057 44	By Lou., Cin., & Charleston Railroad stock	25,000 00	
			By Lou., Cin., & Charleston Railroad bonds	27,444 44	
					873,256 11
			By bank estate	62,661 44	
			By real estate	4,672 33	
					67,233 77
			By Merchants' Bank, New York	–	24,726 50
			By interest and expenses on State loan	–	53,690 10
			By cash—		
			Specie	159,518 10	
			Bank notes of this bank	303,270 00	
			Bank notes of other banks	47,630 00	
					510,418 10
		5,420,809 16			5,420,809 16

CHARLESTON, *October* 1, 1840. CHARLES M. FURMAN, *Cashier.*

DR. No. 2.—*Bank of the State of South Carolina.* CR.

To capital	–	$1,156,318 48	By bills and notes discounted	$940,840 36	
To bank notes issued	$640,000 00		By bills, notes, and bonds in suit	153,234 49	
To bank notes at Columbia	30,200 00				$1,094,074 85
To bank notes under one dollar	86,550 00		By bonds secured by mortgage	–	573,276 92
		756,750 00	By bonds under act for rebuilding the city of Charleston	–	932,860 00
To discount and interest received	–	77,690 18	By cash—Specie, (cashier)	143,854 70	
To State treasury	49,417 82		Bank notes, (cashier)	250,800 00	
To State treasury, for sinking fund	709,228 97		Bank notes and specie, (tellers)	41,006 20	
To State treasury, for surplus revenue deposited by the United States	200,000 00				435,660 90
To State of South Carolina, for loan under act for rebuilding the city of Charleston	2,000,000 00		By branch bank, Columbia	677,589 14	
		2,958,646 79	By branch bank, Camden	473,572 78	
To individual deposites	–	298,408 79			1,151,160 92
			By Hamburg agency	13,062 87	
			By Georgetown agency	7,975 20	
					21,038 07
			By Bank of Charleston stock	147,900 00	
			By State 3 per cent. stock	30,263 25	
			By State 5 per cent. stock	88,880 10	
			By State 6 per cent. stock	531,598 07	
			By Bank of the United States stock	9,184 00	
			By Commercial Bank stock	486 25	
			By Southwestern Railroad Bank stock	12,500 00	
			By Lou., Cin., & Charleston Railroad stock	25,000 00	
			By Lou., Cin., & Charleston Railroad bonds	27,444 44	
					873,256 11
			By bank estate	62,561 44	
			By real estate	4,672 33	
					67,233 77
			By judgments	–	20,826 10
			By Merchants' Bank, New York	–	24,726 50
			By interest and expenses on State loan	–	53,690 10
		5,247,804 24			5,247,804 24

CHARLESTON, *October* 1, 1840. C. M. FURMAN, *Cashier.*

N—Continued.

No. 3.—*Statement of the Branch of the Bank of the State of South Carolina, at Columbia.—September* 30, 1840.

Dr.			Cr.		
To amount due parent bank	- - -	$714,149 93	By amount of notes discounted - - -		$713,849 17
To State Treasury	- - -	13,083 34	By amount of bonds - - -		43,826 02
To individual deposites	- - -	90,083 47	By suspense account (notes) - - -		13,660 67
			By cash - - - - - -		45,980 88
		817,316 74			817,316 74

CHARLESTON, *October* 1, 1840.

CHARLES M. FURMAN, *Cashier.*

No. 4.—*Statement of the Branch of the Bank of the State of South Carolina, at Camden.—September* 30, 1840.

Dr.			Cr.		
To discount account - - -		$24,365 63	By notes discounted - - -		$438,146 00
To interest account - - -		5,119 28	By bonds - - - -		53,888 30
To exchange account - - -		1,405 08	By drafts payable in Charleston - -		9,034 62
To protest account - - -		10 70	By salaries paid - - -		5,799 96
To individual deposites - - -		31,565 18	By incidental expenses - - -		641 93
To amount due parent bank - - -		473,821 26	By cash - - - - -		28,776 32
		537,287 13			536,287 13

CHARLESTON, *October* 1, 1840.

CHARLES M. FURMAN, *Cashier.*

N—Continued.

No. 5.—*State treasurer, for sinking fund of the State of South Carolina, for redemption of five and six per cent. stock, and for payment of interest thereon.*

	Dr.		
1839. Dec. 31.	To cash paid one quarter's interest	$19,729 66	
1840. Mar. 31	To cash paid one quarter's interest	24,529 74	
June 30	To cash paid one quarter's interest	17,776 64	
Sept. 30	To cash paid one quarter's interest	29,419 51	
			$91,455 55
	To cash paid sundry persons to six per cent. stock redeemed - - -		798,795 96
	To balance - - - -		819,228 97
			1,709,480 48
	Cr.		
1839. Oct. 1	By balance - - - -		$948,058 39
1840. Feb. 22	By comptroller's draft for this amount, transferred from surplus revenue deposited by the United States, for the payment of principal and interest on $600,000 six per cent. stock, issued to the Louisville, Cincinnati, and Charleston Railroad Company - - -		651,422 09
Oct. 1	By net profits of past year - - -		110,000 00
			1,709,480 48
	By balance - - - -		$819,228 97

CHARLESTON, *October* 1, 1840.

C. M. FURMAN, *Cashier.*

N—Continued.

No. 6.—*State Treasury, for surplus revenue deposited by the United States with the State of South Carolina.*

1839.	Dr.	
Oct. 22	To comptroller's draft to Louisville, Cincinnati, and Charleston Railroad Company - -	$50,000 00
1840.		
Feb. 22	To comptroller's draft for this amount, transferred to the sinking fund, for payment of principal and interest on $600,000 six per cent. stock, issued to the Louisville, Cincinnati, and Charleston Railroad Company - -	651,422 09
Sept. 30	To balance - - - - -	200,000 00
		901,422 09
1839.	Cr.	
Oct. 1	By balance - - - - -	$901,422 09
Oct. 1	By balance - - - - -	$200,000 00

Charleston, *October* 1, 1840.

C. M. FURMAN, *Cashier.*

No. 7.—*State of South Carolina, for loan under the act for rebuilding the city of Charleston.*

1840.	Dr.	
Sept. 30	To this amount transferred to interest and expenses on State loan, under the act for rebuilding the city of Charleston - - -	$9,883 15
	To balance - - - - -	2,000,000 00
		2,009,883 15
1839.	Cr.	
Oct. 1	By balance - - - - -	$1,045,438 70
1840.		
Sept. 30	By 6 per cent. stock issued, payable in Charleston	964,444 45
		2,009,883 15
Oct. 1	By balance - - - - -	$2,000,000 00

Charleston, *October* 1, 1840.

C. M. FURMAN, *Cashier.*

N—Continued.

No. 8.—*Interest and expenses on State loan, under the act for rebuilding the city of Charleston.*

1839.	Dr.	
Sept. 14	To cash paid commissioners for valuation of lands at sundry times - - - -	$2,500 00
	To cash paid attorney general at sundry times, for 1838 - - - - - -	1,000 00
	To cash paid interest on £15,500 in January last, including commissions and premium, at 10 per cent. - - - - - -	1,912 82
	To cash paid interest on £232,500 in July last, including commissions and premium, at 10 per cent. - - - - - -	28,700 81
Nov. 8	To cash paid attorney general - - -	600 00
1840.		
Mar. 16	To cash paid insurance on Charleston hotel -	500 00
May 23	To cash paid interest on £233,000 in January last, including commissions and premium, at 10½ per cent. - - - - -	28,908 49
Sept. 30	To cash paid interest on £233,000 in July last, including expenses, commissions, and premium, at 12 per cent. - - -	29,285 50
	To cash paid commissioners for valuation of lands - - - - - -	1,000 00
	To cash paid attorney general at sundry times	2,500 00
	To cash paid Rawdon, Wright, & Hatch, for plate for bonds, paper, printing, seal, &c. -	592 25
	To cash paid interest on 6 per cent. stock, issued under the act for rebuilding the city of Charleston - - - - - -	10,889 35
		108,399 22
Oct. 1	To balance - - - - -	$53,690 10
	Cr.	
Sept. 30	By this amount transferred from State of South Carolina, for loan under the act for rebuilding the city of Charleston, for premium received on stock sold in London - - -	$9,883 15
	By this amount received for premium on 6 per cent. stock - - - - -	956 53
	By interest received on bonds to this date -	32,970 09
	By this amount transferred from discount account for interest on the fund arising from 6 per cent. stock sold and not yet loaned -	10,899 35
	By balance - - - - -	53,690 10
		108,399 22

Charleston, *October* 1, 1840.

C. M. FURMAN, *Cashier.*

N—Continued.

No. 9. *Comparative statement of individual deposites in the Bank of the State of South Carolina, in each month, from October, 1836, to October 1840.*

Months.	1836 to 1837.	1837 to 1838.	1838 to 1839.	1839 to 1840.
October	$605,000	$723,000	$499,000	$355,000
November	590,000	672,000	502,000	333,000
December	577,000	604,000	527,000	323,000
January	564,000	572,000	514,000	329,000
February	837,000	636,000	573,000	375,000
March	747,000	685,000	533,000	312,000
April	562,000	638,000	562,000	304,000
May	753,000	685,000	574,000	385,000
June	791,000	660,000	542,000	357,000
July	696,000	563,000	464,000	372,000
August	751,000	536,000	356,000	327,000
September	675,000	495,000	384,000	284,000
	8,148,000	7,419,000	6,030,000	4,056,000

October, 1836,	to October,	1837	$8,148,000,	average monthly	$679,000
Do 1837,	do	1838	7,419,000,	do	618,000
Do 1838,	do	1839	6,030,000,	do	502,500
Do 1839,	do	1840	4,056,000,	do	338,000

—

No. 10.—*Statement of bills and notes discounted in Bank of the State of South Carolina, Charleston, from October 1, 1836, to October 1, 1840.*

Months.	1836 to 1837.	1837 to 1838.	1838 to 1839.	1839 to 1840.
October	$1,230,659 11	$1,821,108 75	$1,539,002 90	$1,526,459 29
November	1,258,415 96	1,782,479 98	1,502,016 96	1,400,678 00
December	1,299,241 30	1,718,653 62	1,417,178 68	1,326,883 94
January	1,277,743 37	1,689,546 44	1,385,274 05	1,273,071 19
February	1,420,369 73	1,730,886 80	1,390,902 89	1,195,491 58
March	1,605,833 26	1,805,146 28	1,517,017 80	1,117,566 81
April	1,600,167 11	1,763,014 26	1,638,146 41	1,097,824 10
May	1,672,052 80	1,741,856 16	1,565,120 75	1,103,276 50
June	1,747,938 11	1,656,273 59	1,469,348 75	1,125,303 87
July	1,822,919 78	1,610,576 75	1,516,055 56	1,143,279 70
August	1,844,176 31	1,601,266 85	1,498,066 76	1,114,706 75
September	1,824,351 15	1,534,101 59	1,483,812 83	1,057,810 40

N—Continued.

No. 11.—*Comparative statement of bills and notes discounted at the branches at Columbia and Camden, from October, 1839, to October, 1840.*

October	$1,287,994 11
November	1,229,324 36
December	1,176,686 87
January	1,171,862 95
February	1,145,475 32
March	1,121,867 87
April	1,096,796 87
May	1,123,262 51
June	1,174,692 51
July	1,166,146 93
August	1,169,631 34
September	1,110,584 79

N—Continued.

No. 12.—*Statement of the issues and circulation of notes of the Bank of the State of South Carolina, for each month, from October, 1836, to October, 1840.*

Month.	1836 to 1837.		1837 to 1838.		1838 to 1839.		1839 to 1840.	
	Issue.	Circulation.	Issue.	Circulation.	Issue.	Circulation.	Issue.	Circulation.
October -	$1,696,000	$1,137,000	$1,623,000	$555,000	$1,550,000	$664,000	$1,521,000	$619,000
November -	1,698,000	1,196,000	1,466,000	562,000	1,551,000	578,000	1,526,000	587,000
December -	1,699,000	1,245,000	1,463,000	606,000	1,556,000	636,000	1,531,000	561,000
January -	1,700,000	1,267,000	1,481,000	634,000	1,582,000	643,000	1,536,000	511,000
February -	1,683,000	790,000	1,465,000	684,000	1,589,000	619,000	1,537,000	504,000
March -	1,616,000	974,000	1,478,900	730,000	1,589,000	658,000	1,540,000	517,000
April -	1,543,000	868,000	1,497,000	763,000	1,588,000	616,000	1,542,000	472,000
May -	1,546,000	647,000	1,527,000	778,000	1,588,000	620,000	1,520,000	420,000
June -	1,515,000	626,000	1,534,000	661,000	1,589,000	565,000	1,513,000	339,000
July -	1,515,000	596,000	1,518,000	671,000	1,587,000	581,000	1,432,000	402,000
August -	1,540,000	549,000	1,532,000	668,000	1,522,000	617,000	1,116,000	444,000
September -	1,550,000	559,000	1,541,000	609,000	1,523,000	621,000	889,000	459,000
	19,301,000	10,454,000	18,125,000	7,921,000	18,814,000	7,417,000	17,203,000	5,835,000

SOUTHWESTERN RAILROAD BANK,
Charleston, South Carolina, October 16, 1840.

Pursuant to the 9th section of the charter, I have the honor to transmit to your excellency, to be laid before the Legislature, a full statement of the affairs of this bank, and of the branch in Tennessee, with a consolidated statement of both, as they stood on the morning of the 1st instant.

Very respectfully, your obedient servant,

JAMES ROSE, *President.*

His Excellency GOVERNOR HENAGAN,
Columbia, South Carolina.

—

General statement of the Southwestern Railroad Bank, Charleston, and branch at Knoxville, Tennessee, ending 30th September, 1840.

LIABILITIES.

Capital of principal bank -	$1,268,192 77	
Capital of branch -	100,000 00	
		$1,368,192 77
Notes in circulation by principal bank -	576,520 00	
Notes in circulation by branch -	53,545 00	
		640,065 00
Due to banks by principal bank -	726 16	
Due to other banks by branch -	3,603 80	
		4,329 96
Due to individual depositors by principal bank -	91,246 94	
Due to individual depositors by branch -	23,723 80	
		114,970 74
Due to foreign agents in London, for bills drawn by principal bank -	-	
Dividends unpaid by principal bank -	38,162 90	
Dividends unpaid by branch -	1,632 50	
		185,805 10
Bank commissioners by principal bank -	-	
Due Louisville, Cincinnati, and Charleston Railroad Company by branch -	56,298 81	
Due treasurer East Tennessee College by branch - - - -	45,418 66	
Due pension agent by branch -	713 83	
		39,795 40
		551 48
		102,431 30
Profit and loss, by principal bank -	11,104 21	
Profit and loss, by branch -	2,336 89	
		13,441 10
		2,469,582 55

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RESOURCES.

Notes discounted by principal bank	$826,393 76	
Notes discounted by branch	277,758 39	
		$1,104,152 15
Suspended debt by principal bank	69,903 46	
Suspended debt by branch	4,212 00	
Suspended debt in suit by principal bank	40,037 55	
		114,153 01
Bonds receivable by principal bank		68,240 37
Sterling exchange by principal bank		188,594 62
Domestic exchange by principal bank	75,505 60	
Domestic exchange by branch	10,000 00	
		85,505 60
Due by banks to principal bank	45,450 63	
Due by banks to branch	15,523 66	
		60,974 29
Due by agents in London to principal bank		7,728 44
Protest account by branch		30 00
Stocks, viz:—		
State 6 per cent. stock, held by principal bank	43,820 15	
State 5 per cent. stock, held by principal bank	197,776 67	
City 5 per cent. stock, held by principal bank	13,475 00	
Ocmulgee Bank stock, held by principal bank	292,500 00	
		447,571 83
Real estate by principal bank		25,000 00
Due by bank commissioners to principal bank		887 50
Suspense account		551 18
Permanent expense		27,753 10
Cash, viz:—		
Notes of other banks	27,660 30	
Railroad scrip	12,811 50	
Treasury note	5,000 00	
Specie	292,968 67	
		338,440 47
		2,469,582 55

JAMES ROSE, *President.*
JAMES G. HOLMES, *Cashier.*

Condensed statement of the Southwestern Railroad Bank, Charleston, ending September 30, 1840.

RESOURCES.

Notes discounted		$826,393 76
Suspended debt	$69,903 46	
Suspended debt in suit	40,037 55	
		109,941 01
Bonds receivable		68,240 37
Sterling exchange		188,594 62
Exchange on New York	72,952 58	
Exchange on other places	2,553 02	
		75,505 60
Due by other banks		89,832 36
Due by agents in London		7,728 44
Stocks, viz:		
State 6 per cent. stock	43,820 15	
State 5 per cent. stock	197,776 67	
City 5 per cent. stock	13,475 00	
Ocmulgee Bank stock	192,500 00	
		447,571 82
Real estate		25,000 00
Due by bank commissioners		887 50
Suspense account		551 18
Permanent expense		27,753 10
Cash on hand, viz:		
Notes of branch at Knoxville, Tenn.	2,900 00	
Notes of other banks	11,619 30	
Railroad scrip	12,811 50	
Specie	277,033 70	
		304,364 50
		2,172,364 26

LIABILITIES.

Bank capital	$1,368,192 77	
Less capital furnished branch at Knoxville, Tennessee	100,000 00	
		1,268,192 77
Notes in circulation		576,575 00
Due to individual depositors		91,246 94
Due to other banks		726 16
Due to foreign agents in London, for bills drawn		185,805 10
Bank commissioners		551 18
Dividends unpaid		38,162 90
Profit and loss		11,104 21
		2,172,364 26

Condensed statement of the branch of the Southwestern Railroad Bank at Knoxville, Tennessee, ending September 30, 1840.

RESOURCES.

Notes discounted	$277,758 39	
Suspended debt	4,112 00	
		$281,970 39
Exchange discounted		10,000 00
Due by other banks		15,523 66
Protest account		30 00
Cash, viz:		
Notes of the Southwestern Railroad Bank, Charleston	$55 00	
Notes of other banks	16,041 00	
Treasury draft	5,000 00	
Specie	15,934 97	
		37,030 97
		344,555 02

LIABILITIES.

Capital stock furnished by principal bank		$100,000 00
Notes in circulation		66,445 00
Due to individual depositors		23,723 80
Due to principal bank, Charleston		44,481 73
Due to other banks		3,603 80
Due Louisville, Cincinnati, and Charleston Railroad Company	$56,298 81	
Due treasurer East Tennessee College	45,418 66	
Due pension agent	713 83	
		102,431 30
Dividends unpaid		1,632 50
Profit and loss		2,336 89
		344,555 02

JAMES ROSE, *President*,
JAMES G. HOLMES, *Cashier*.

BANK OF CHARLESTON, S. C.,
Charleston, October 7, 1840.

SIR: By order of the board of directors of this institution, I have the honor to enclose a statement of the condition of this bank on the 1st instant, as required by your letter, addressed to the president, under date of 3d September last.

Very respectfully, your obedient servant,

A. G. ROSE, *Cashier*.

His Excellency B. K. HENAGAN,
Governor of South Carolina.

Summary statement of the condition of the Bank of Charleston, S. C., on the 1st of October, 1840.

ASSETS.

Bills and notes discounted		$2,793,881 99	
Domestic bills of exchange		283,994 35	
Sterling exchange		241,107 80	
French exchange		268,401 11	
			$3,587,385 25
Real estate			34,760 94
Stocks			227,042 31
Balances due by other banks		197,227 09	
Balances due by agencies		8,358 58	
Notes of other banks on hand		117,118 00	
Specie—gold and silver	$305,287 02		
U. States Treasury notes	12,900 00		
		318,187 02	
			640,890 69
			4,490,079 19

LIABILITIES.

Capital stock paid in	$3,150,175 00
Bank notes in circulation	178,212 00
Moneys on deposite	328,430 86
Arrears of dividends due	12,018 00
Due to other banks	391,033 86
Due to foreign agencies	334,941 35
Surplus profits applicable to future dividends	185,268 12
	4,490,079 19

BANK OF CHARLESTON, S. C., *October 1*, 1840.

A. G. ROSE, *Cashier*.

PLANTERS AND MECHANICS' BANK OF CHARLESTON,
Charleston, September 28, 1840.

SIR: In compliance with your letter of the 3d instant, I enclose a condensed statement of the condition of this bank on the 25th instant, the date of the regular weekly statement next preceding the 1st October.

I have the honor to be, very respectfully, your obedient servant,

DANIEL RAVENEL, *President*.

His Excellency B. K. HENAGAN,
Governor of South Carolina.

Condensed statement of the Planters and Mechanics' Bank of South Carolina, September 25, 1840.

ASSETS.

Notes discounted		$1,086,646 41
Bonds		71,336 84
Domestic bills of exchange		72,056 76
Banking-house		20,000 00
Due from banks		10,554 75
Stocks		191,740 48
Cash, viz:		
Notes of other banks on hand	$28,061 00	
Specie	217,265 91½	
		245,326 91½
		1,697,662 15½

LIABILITIES.

Capital stock	$1,000,000 00
Surplus fund and profits	216,268 84
Due to public officers	13,921 85
Due to banks	45,110 87
Individual depositors	164,328 72
Dividends unclaimed	17,991 87½
Notes in circulation	240,040 00
	1,697,662 15½

CHARLESTON, *September* 28, 1840.

S. T. ROBINSON, *Cashier.*

BANK OF SOUTH CAROLINA,
Charleston, October 3, 1840.

DEAR SIR: In obedience to your request of last month, to forward you a statement of our bank up to the 1st of October, we now have the honor of transmitting said statement, with a request that you will give your attention to the note in red ink; it will show how we have stood with the Charleston Bank, and how we have settled in full with that institution.

Respectfully, your obedient servant,

JOHN S. COGDELL, *President.*

His Excellency B. K. HENAGAN.

State of the Bank of South Carolina, September 30, 1840.

DR.

Notes discounted		$945,783 26
Notes under compromise		38,613 11
Carried forward		984,396 37

Brought forward		$984,396 37
Bills of exchange under compromise		27,922 55
Bonds		114,914 32
Stock investments, State and city 5 and 6 per cent., and bank and railroad stock		122,428 14
Specie on hand	$85,025 55	
Specie in the hands of our agents in New York, awaiting shipment	50,000 00	
Bills of exchange	36,700 00	
		171,725 55
Farmers and Mechanics' Bank of Philadelphia		2,094 42
Bank notes of city banks on hand		15,338 00
Bank notes of country banks		140 00
Real estate		50,276 26
Incidental expenses for last quarter, ending this day		4,106 30
		$1,503,342 91

CR.

Capital stock	$1,000,000 00
Profit and loss	67,217 32
Discount account remaining on exchange and interest for the last quarter, ending this day	19,125 60
Dividends unclaimed, or not yet called for	7,791 36
Deposites	155,712 06
Bank of New York, at the credit of that bank	21,286 57
Bank notes in circulation	231,210 00
	$1,502,342 91

BANK OF SOUTH CAROLINA,
Charleston, September 30, 1840.

THOMAS CHAPMAN, *Cashier.*

NOTE.—Since the resumption of specie payments, in July last, this bank has paid the demand of the Bank of Charleston, which was based upon our notes *accumulated by that bank*, amounting (with a few days' interest allowed on a portion of said demand) to the sum of $154,784 69

Of which was paid—

By sight checks on New York	$76,856 13	
By notes of the Bank of Charleston	4,850 00	
By specie	72,302 50	
Add premium on N. Y., at 1 per ct. $768 56		
And for packages containing specie 7 50		
	776 06	
		154,784 69

In addition to which, the Bank of South Carolina has paid in specie, to other parties, since the resumption $76,000 00

STATE BANK,
Charleston, October 1, 1840.

SIR: In compliance with the request made by you in your communication of the 3d ultimo, I have the pleasure of transmitting a statement of the condition of this bank on this day.

Very respectfully, your obedient servant,
JAMES JERVEY,
President State Bank.

His Excellency B. K. HENAGAN.

Statement of the State Bank on September 30, 1840.

LIABILITIES.

Notes in circulation	$225,315 00
Deposites	104,766 87
Due to banks	101,250 00
Capital	1,000,000 00
	1,431,331 87

ASSETS.

Real estate	$46,077 38
Stocks of different kinds—State, city, and incorporated companies	173,466 59
Notes discounted	827,128 31
Due by banks	18,578 42
Debts not in the regular course of discount, viz: bonds, notes, &c.	305,130 30
Specie	93,442 08
	1,463,823 08

CHARLESTON, S. C.,
September 30, 1840.

SAML. WRAGG, *Cashier.*

UNION BANK OF SOUTH CAROLINA,
Charleston, October 5, 1840.

SIR: In compliance with your request, I have the honor of forwarding the cashier's statement, as submitted weekly to the board, to the 29th September ultimo. I have taken the liberty to join to it a synopsis of the liabilities of this institution to the public, and of the means to meet them, similar to one I sent last year to your predecessor. On comparing them, your excellency will see that the Union Bank was then, and is now, prepared to meet its engagements promptly and honorably.

Your excellency's respectful servant,
R. GODDARD, *President.*

His Excellency the GOVERNOR.

Statement of the Union Bank of South Carolina, September 24, 1840.

RESOURCES OF THE BANK.

Notes and bills discounted	$971,546 39
Specie	46,817 56
Notes of other banks	17,704 00
Bonds	4,853 34
State 5 per cent. stock	174,890 00
City 5 per cent. stock	10,000 00
Real estate	40,000 00
	1,265,811 29

LIABILITIES.

To stockholders, for capital	$1,000,000 00
To stockholders, for dividends unpaid	6,490 25
To bills in circulation	16,051 67
To balances due distant banks	12,151 55
To balances due depositors	170,719 93
To balance, surplus	60,397 89
	1,265,811 29

H. SOLLEE, *Cashier.*

The Union Bank of South Carolina in account with the public.

1840.	Dr.	
Oct.	To circulation*	$16,516 70
	To deposites	170,719 93
	To balance to banks	12,151 55
	To balance carried to the credit of capital	1,066,888 14
		1,265,811 29

1840.	Cr.	
Oct.	By specie	$46,817 56
	By discounted notes	971,546 39
	By bills of banks	17,704 00
	By balance due by banks.	
	By public stocks, State and city	184,890 00
	By bonds	4,853 34
	By landed property	40,000 00
		1,265,811 29

Respectfully submitted, by
R. GODDARD, *President.*

* This amount is the balance of the circulation of the bank since July, 1840.

COMMERCIAL BANK OF SOUTH CAROLINA,
Columbia, October 1, 1840.

DEAR SIR: In obedience to your call, under date of the 3d September, I furnish a statement of the condition of this bank, on the evening of the 30th September, 1840.

Your obedient servant,
J. A. CRAWFORD, *President.*

His Excellency B. K. HENAGAN.

Condition of the Commercial Bank on the 1*st October*, 1840.

Discounted notes	$787,318 02	
Discounted drafts	84,650 00	
Bonds and suspended debts	51,649 66	
		$923,617 68
Real estate		2,500 00
Bonus, bank engravings, fixtures, &c.		13,000 00
Due by banks	903 20	
Specie	70,059 68	
Notes of other banks	9,846 00	
		80,808 88
		1,019,926 56

LIABILITIES TO STOCKHOLDERS.

Bank capital	$800,000 00	
Dividends undrawn	1,880 40	
Profits	44,444 92	
		$846,325 32

LIABILITIES TO OTHERS THAN STOCKHOLDERS.

Commercial Bank notes in circulation	$131,080 00	
Deposites	34,089 66	
Balance due to banks	8,431 58	
		173,601 24
		1,019,926 56

J. A. CRAWFORD, *President.*

BANK OF CAMDEN, SOUTH CAROLINA,
Camden, October 10, 1840.

SIR: By order of the board of directors, I hand you, annexed, a statement of the condition of this bank on the 1st instant, as requested in yours, to our president, of 3d September ultimo; and have the honor to be, very respectfully, your obedient servant,

W. J. GRANT, *Cashier.*

His Excellency B. K. HENAGAN.

Statement of the condition of the Bank of Camden, South Carolina, on October 1, 1840.

ASSETS.

Loans and discounts		$365,617 93
Bills of exchange		127,268 49
Real estate		10,217 46
Bonus, engravings, &c.		8,894 80
Due from banks	$40,837 38	
Due from agents	183 47	
Notes of other banks	4,837 00	
Specie	71,608 10	
		117,466 95
Aggregate assets		629,465 63

LIABILITIES TO OTHERS THAN STOCKHOLDERS.

Bank notes in circulation	$225,755 00	
Individual deposites	17,890 27	
Due other banks	2,892 84	
		246,538 11
		382,927 52

LIABILITIES TO STOCKHOLDERS.

Bank capital paid in	$368,350 00	
Dividends undrawn	1,435 75	
		369,785 75
Balance in favor of the bank		13,141 77

W. J. GRANT, *Cashier.*

BANK OF GEORGETOWN, SOUTH CAROLINA,
Georgetown, November 3, 1840.

DEAR SIR: Herewith is a statement of the affairs of this bank on 1st October last.

Very respectfully,
D. L. McKAY, *Cashier.*

His Excellency B. K. HENAGAN,
Governor of South Carolina.

Statement of the Bank of Georgetown, South Carolina, on October 1, 1840.

DR.

To capital stock	$200,000 00
To balances due banks	3,692 03
Carried forward	203,692 03

Brought forward		$203,692 03
To circulation		243,548 00
To dividends unpaid		656 00
To interest and premium		7,047 66
To surplus profits		3,000 63
To deposites		5,646 18
Amount of liabilities		463,590 50

Cr.

By notes and bonds in fair standing	$223,396 18
By notes in suit and judgments	32,232 04
By exchange on New York and Charleston	125,907 27
By real estate	3,682 36
By sinking fund	6,700 00
By protest account	40 25
By balances due by banks	13,179 27
By specie	56,538 11
By contingent expenses	1,915 02
Amount of assets	463,590 50

D. L. McKAY, *Cashier.*

MERCHANTS' BANK OF SOUTH CAROLINA,
Cheraw, October 5, 1840.

DEAR SIR: Your letter of the 3d ultimo, "requesting a statement of the assets and liabilities of this bank to the 1st instant, exclusive," was duly received. The statement is herewith enclosed. This bank has continued to redeem its issues in coin, whenever demanded.

Respectfully, your obedient servant,

J. WRIGHT, *President.*

His Excellency B. K. HENAGAN.

Statement of the Merchants' Bank of South Carolina, at Cheraw, September 30, 1840.

To capital stock	$400,000 00
To notes in circulation	238,073 00
To profits	65,919 80
To due other banks	3,016 45
To dividends unpaid	314 00
To private deposites	14,208 17
	721,531 42

LIABILITIES TO OTHERS THAN STOCKHOLDERS.

To notes in circulation		$238,073 00
To dividends unpaid		314 00
To due other banks		3,016 45
To deposites		14,208 17
		255,611 62
Deduct immediate assets		173,929 89
		81,681 73

By real estate		$19,728 42
By bank account		8,400 00
By exchange receivable		89,877 44
By notes receivable		427,581 26
By due by other banks		26,156 40
By protest account		26 75
By contingent expenses		1,987 66
By notes of other banks	$35,934 00	
By bullion	307 00	
By coin	111,532 49	
		147,773 49
		721,531 42

IMMEDIATE ASSETS ARE—

By due by other banks	$26,156 40
By notes of other banks	35,934 00
By specie	111,839 49
	173,929 89

TO MEET THIS, WE HAVE—

Exchange, payable in New York and Charleston	$89,877 44
Notes discounted	427,581 26
Real estate	19,728 42
	537,187 12
Deduct liabilities	81,681 73
Amount over liabilities	455,505 39

W. GODFREY, *Cashier.*

CHERAW, S. C., *September* 30, 1840.

BANK OF HAMBURG, SOUTH CAROLINA,
Hamburg, October 5, 1840.

DEAR SIR: I enclose you the statement of the assets and liabilities of this bank. Our circulation, you will see, is $249,175; specie, $114,413 43;

and assets, in exchange and notes, suspended debts, judgment and in suit, &c., $555,178 44; and due us by other banks, $80,819 86. Our circulation is usually much larger, when we can obtain a settlement with the Augusta banks; but during a suspension, they refuse to settle with us. Yet, from our nearness to Augusta, we have never refused their bills for debts due this bank *here;* which we must either lock up as dead capital, and at the risk of their solvency, or loan them out again to the community. We have done the latter, although at a loss of two to four months' interest, and a risk of its being then paid, in order to obtain funds equal to *our* notes. In this way this bank has sustained considerable loss on Georgia notes, by taking them at *par* for debts due us here, (debts contracted when all banks paid specie,) and losing the interest on *time* bills, payable in South Carolina funds, in order to redeem our circulation with that fund.

Strange to tell, while we have been thus continually losing on Georgia funds, we have been accused by the scurrillous scribblers of the day of making immense profits by dealing in Georgia notes; which notes we received at *par*, and paid out at a discount. We had either to receive them at par, or make but few collections; and when received, we had to submit to a loss, in order to use them as assets to redeem our own circulation as it returned upon us. There is but one cure for this state of things, viz: for all banks that are allowed to do business *to pay specie.* But so long as planters will take Georgia notes for their cotton, just so long will it form a large portion of the circulation in South Carolina, to the exclusion of South Carolina notes. The South Carolina *banks* have no power to prevent this, while the Georgia banks are *suspended.* Cotton buyers and cotton sellers have the legal right to deal in this depreciated currency; and nothing but a resumption of specie payments in Georgia can abate what is now a nuisance in South Carolina, unless some action of our Legislature can arrest the evil;—of which I have considerable doubt, at least as to the *policy* of such a course.

I have sent you a scale of our circulation and specie during each week from November, 1838, to the 3d day of October, 1840.

I am, with great respect, your obedient servant,

H. HUTCHISON, *Cashier.*

To the Hon. B. K. HENAGAN.

Statement of the Bank of Hamburg, South Carolina, October 3, 1840.

DEBTS.

Capital stock		$500,000 00
Bank notes in circulation		249,175 00
Surplus fund	$5,635 58	
Profits since last dividend to the credit of the stockholders	12,893 33	
		18,528 91
Dividends unpaid		396 00
Deposite account		36,146 89
		804,246 80

ASSETS.

Bank lot and building account		$14,024 69
Bonus and banking account		13,919 17
Contingent expenses		2,450 21
Bank stock account		6,460 00
Judgment account	$21,891 30	
Suspended debt account	36,851 66	
Notes in suit	20,850 00	
Exchange receivable	173,286 08	
Notes receivable	302,299 40	
		555,178 44
Due us in New York	19,170 19	
Due us by South Carolina banks	24,207 14	
Due us in Savannah, Georgia	37,442 53	
		80,819 86
Specie	114,413 43	
South Carolina notes	4,019 00	
Georgia notes	12,962 00	
		131,394 43
		804,246 80

A weekly statement of the specie and circulation of the Bank of Hamburg.

Dates.		Capital.	Specie.	Circulation.
1838.				
Nov. 5	Capital stock	$300,000	$155,378 99	$583,530
12	Do	300,000	152,652 30	606,125
19	Do	300,000	149,438 81	631,075
26	Do	300,000	155,334 46	645,525
Dec. 1	Do	300,000	184,229 20	702,955
8	Do	300,000	174,517 98	730,360
15	Do	300,000	161,124 87	776,430
22	Do	300,000	178,057 99	778,750
29	Do	300,000	166,227 26	740,750
1839.				
Jan. 2	Do	300,000	166,805 78	737,525
9	Do	300,000	165,827 73	714,000
19	Do	300,000	162,542 38	686,745
26	Do	300,000	182,247 68	728,685
Feb. 2	Do	300,000	150,279 18	751,950
9	Do	300,000	143,850 96	745,955
16	Do	300,000	135,118 39	746,795
23	Do	300,000	134,865 10	751,335
March 2	Do	300,000	158,612 68	719,645
16	Do	300,000	203,878 85	732,535
23	Do	300,000	203,600 31	675,905

STATEMENT—Continued.

Dates.		Capital.	Specie.	Circulation.
1839.				
Mar. 30	Capital stock - -	$300,000	$194,474 45	$676,510
April 6	Do - -	300,000	190,616 17	660,190
13	Do - -	300,000	192,492 44	628,455
20	Do - -	300,000	192,647 13	615,930
27	Do - -	300,000	190,632 17	611,880
May 4	Do - -	300,000	187,087 98	620,460
11	Do - -	300,000	186,670 22	606,810
18	Do - -	300,000	187,386 90	590,205
25	Do - -	300,000	185,282 02	572,415
June 1	Do - -	300,000	184,250 31	572,170
8	Do - -	300,000	179,617 12	531,415
15	Do - -	300,000	179,625 23	529,745
22	Do - -	300,000	178,792 30	515,600
July 6	Do - -	300,000	175,820 49	477,585
13	Do - -	300,000	173,819 18	473,310
20	Do - -	300,000	173,647 61	444,310
29	Do - -	300,000	170,172 89	440,275
Aug. 3	Do - -	300,000	170,235 06	433,985
10	Do - -	300,000	171,933 44	415,580
17	Do - -	300,000	159,984 27	400,530
24	Do - -	300,000	148,845 37	389,665
31	Do - -	300,000	141,815 62	377,160
Sept. 7	Do - -	300,000	139,774 16	368,885
14	Do - -	300,000	135,806 43	357,065
21	Do - -	300,000	133,497 29	358,095
28	Do - -	300,000	130,614 73	358,310
Oct. 5	Do - -	300,000	130,575 92	359,275
12	Do - -	300,000	125,350 85	358,015
26	Do - -	300,000	122,493 46	434,785
Nov. 2	Do - -	300,000	121,604 55	452,933
9	Do - -	300,000	123,386 48	495,545
16	Capital increased $454,900	454,900	122,844 11	500,145
23	Do 454,900	454,900	122,279 93	491,975
30	Do 461,400	461,400	121,798 04	481,840
Dec. 7	Do 495,900	461,400	122,053 91	485,700
14	Do 500,000	461,400	121,972 59	480,525
21	Capital stock all paid in -	500,000	121,374 71	490,710
28	Do - -	500,000	121,107 68	484,600
1840.				
Jan. 4	Do - -	500,000	121,101 78	476,160
11	Do - -	500,000	120,566 82	472,900
18	Do - -	500,000	120,333 56	470,200
25	Do - -	500,000	120,156 12	469,445
Feb. 1	Do - -	500,000	119,794 58	464,000
8	Do - -	500,000	119,831 64	460,725
15	Do - -	500,000	119,714 89	458,630

STATEMENT—Continued.

Dates.		Capital.	Specie.	Circulation.
1840.				
Feb. 22	Capital stock all paid in -	$500,000	$119,749 49	$446,670
29	Do - -	500,000	119,879 28	436,930
March 7	Do - -	500,000	120,093 07	427,550
14	Do - -	500,000	119,737 43	427,325
21	Do - -	500,000	119,706 07	425,525
28	Do - -	500,000	118,954 36	391,795
April 4	Do - -	500,000	117,928 39	373,010
11	Do - -	500,000	117,140 47	370,800
18	Do - -	500,000	116,694 05	358,565
25	Do - -	500,000	116,116 45	357,180
May 2	Do - -	500,000	116,301 34	354,730
9	Do - -	500,000	116,225 05	333,065
16	Do - -	500,000	116,124 62	331,465
23	Do - -	500,000	115,870 54	330,135
June 6	Do - -	500,000	115,731 76	324,800
13	Do - -	500,000	115,706 50	317,040
20	Do - -	500,000	115,699 82	315,775
27	Do - -	500,000	115,672 72	265,555
July 3	Do - -	500,000	115,725 62	257,410
11	Do - -	500,000	115,616 95	254,715
18	Do - -	500,000	115,507 68	236,570
25	Do - -	500,000	115,085 22	237,475
Aug. 1	Do - -	500,000	115,039 18	237,425
8	Do - -	500,000	115,001 15	240,330
22	Do - -	500,000	114,892 09	240,425
29	Do - -	500,000	114,915 84	241,060
Sept. 5	Do - -	500,000	114,916 01	243,645
12	Do - -	500,000	114,879 74	243,170
19	Do - -	500,000	114,780 30	253,310
26	Do - -	500,000	114,597 68	257,025
Oct. 3	Do - -	500,000	114,413 40	249,175

Letter of Mr. Shultz.

HAMBURG, S. C., *November* 7, 1840.

SIR: I feel it an incumbent duty to bring to the notice of your excellency certain matters respecting the Hamburg Bank.

It was, in the first place, my good fortune to be the principal organ in the establishment of this town; and, secondly, that I was also the principal mover for the establishment of this bank.

It may yet be fresh in the mind of your excellency how urgent my solicitations were to the Legislature for a charter of this institution; which the Legislature was very unwilling to grant, because the bank, under a former charter, had failed. I gave pledges to the Governor, (General