585

BANKS OF NEW YORK.

G 1.

Report to the stockholders of the Manhattan Company.

The undersigned, composing the commission to investigate the condition of the Manhattan Company, beg leave to report:

That, for the adequate performance of their duty, they considered it of the highest importance, in order to enable the stockholders to arrive at a just and precise conclusion in regard to the state and value of their property, that a detailed and accurate description of the debts and assets of the company should be given, and that nothing should be withheld that might tend to elucidate its affairs. This was the more imperative from their being restricted, by the terms of their appointment, to the reporting of *facts*, and not of *opinions;* and therefore they have adopted the plan of laying before the stockholders a copy of the minutes of the several meetings which they held, as well as of the documents, statements, and letters laid before them. It certainly is unusual that such lists of assets should be published, and some dissatisfaction may be felt by those whose names and debts are detailed to the stockholders. But the undersigned, with every disposition to avoid unnecessary publicity, could find no other efficient mode of performing the duty assigned to them; nor does it appear unreasonable to them, that the stockholders, upon an occasion so extraordinary as that which called for this investigation, should be furnished with every item of account necessary to enable them to judge for themselves as to the value of their respective shares in this company.

They would also add, that, for the better and more rapid performance of the service required of them, the commissioners called to their aid F. W. Edmonds, Esq., in whose experience and peculiar skill in examinations of this character they placed the highest confidence, which has been most amply justified.

It seems proper to state, that the Manhattan Company was incorporated, in the year 1799, for the purpose of supplying the city with pure water, and with the privilege of using their surplus funds in the purchase of public or other stock, or in any moneyed transactions or operations.

A supplement to the act of incorporation was passed in the year 1808, authorizing the company to sell or lease to the corporation of New York their real estate, and water-works, and water privileges; and, in that case, to employ their whole capital in like manner as they could their surplus capital.

The duration of the original charter is unlimited; but, by the act of 1808, it is provided that the charter of the bank shall cease thirty years from the date of the said sale or lease to the corporation of the city of New York; and, by the same enactment, it was declared that the State should be entitled to subscribe for one thousand shares of the stock of the said company; which was accordingly done. And the recorder of the city of New York is *ex officio* a director of the company, as representing the interest of the State.

The board of direction, as it existed on the 29th February, (the date of examination,) was composed of the following gentlemen, who have held their respective offices from the years opposite their names:

JAN 1840

1810—John G. Coster.
1813—Jonathan Thompson.
1817—James McBride.
1819—Robert White, cashier.
1824—William W. Todd.
1825—Maltby Gelston, president, (director from 1829.)
1825—David S. Kennedy, (now in Europe.)
1826—William B. Crosby.
1826—Thomas Suffern.
1826—William Paulding.
1828—Stephen D. Beekman.
1834—Campbell P. White.
1837—John Moorehead.
1838—R. H. Morris, recorder of the city.

New 1840 Dead

For the information of non-resident stockholders, it is proper to state that the majority of these gentlemen are of known wealth, retired from active business pursuits; all of unimpeached integrity and standing in the community, and all of undoubted pecuniary responsibility; and that, in the investigations of the commissioners, nothing has been discovered in relation to their official acts that is not fully and fairly presented in this report.

The commissioners think it right to add, that, whatever may be deemed unfavorable in the situation of the company, *has, in their judgment, arisen from the general inattention of the directors*, and from what may appear to the stockholders *the lax and injudicious management of its concerns by the officers on whom the charge devolved.* To sustain the commission in these positions, a table is submitted herewith (statement X) showing the semi-weekly meetings of the board during the last ten years; and it will be seen, by an extract from the minutes of the board, that the management and control of the loans of the bank were expressly committed to the president and cashier in April, 1824, and so remained up to a very recent period. And it has been represented to the commission, that, although *general* statements were regularly laid before the board, the *details* of the proceedings of the officers were unknown to the greater portion of the directors. The commission are further requested by the president to state, (and the fact is admitted by the cashier,) that the "loans on stock were always made and controlled by the cashier, without the interference of the president."

In the reports of a committee of directors made on the 11th and 27th of January last, and ordered to be published by a *unanimous* resolution of the board passed on the 14th February last, it is averred that "some of the directors seem to consider themselves nominally so, and do not even attend the meetings of the board; and they therefore suggest whether the board ought not to be filled as early as possible with a full number of efficient and influential members, who shall be sensibly alive to the duties and responsibilities devolving upon them."

This suggestion will doubtless attract the attention of the stockholders; to whom it, together with all other matters contained in this report, is submitted, without further comment, by the undersigned commissioners.

JAMES GORE KING,
ROBERT H. MORRIS,
JAMES BOORMAN.

New York, *March* 14, 1840.

MINUTES.

OFFICE OF PRIME, WARD, KING, & Co.,
Wall street, N. Y., February 26, 1840.

At a meeting of commissioners appointed to inquire into the condition of the Manhattan Company, agreeably to the following resolution of the board of directors of said company, viz:

"*Resolved*, That the condition of the Manhattan Company, in every department, be referred to a commission consisting of the honorable the Recorder, James G. King, and John J. Palmer, esquires; and that they be requested to report, without delay, the facts for the information of the stockholders."

"At an extra meeting of the board held this day, in consequence of J. J. Palmer, Esq., having declined serving on the commission, James Boorman, Esq., was elected."

Present—Mr. Recorder Morris, Mr. James Boorman, Mr. James G. King.

On motion of Mr. Morris, seconded by Mr. Boorman,

Resolved, That James G. King be appointed chairman of this commission.

On motion,

Resolved, That F. W. Edmonds be appointed secretary of this commission.

The chairman notified Mr. Edmonds of his appointment.

The secretary, having appeared and accepted the appointment, was requested to wait upon the cashier of the Manhattan Company, this afternoon, with the following letter:

FEBRUARY 26, 1840.

DEAR SIR: The commission to inquire into the condition of the Manhattan Company have appointed Mr. F. W. Edmonds their secretary, and request you will allow him to make such preliminary inquiries as will enable him to recommend for our adoption a plan of investigation.

I remain,

JAMES G. KING, *Chairman*.

ROBERT WHITE, Esq., *Cashier*.

On the 27th February, the secretary reported the result of his visit to the Manhattan Company the preceding afternoon, and submitted a general statement, obtained from the cashier, of the affairs of the company. (See statement A.)

It was

Resolved, That the secretary proceed to furnish the particulars of sundry accounts named in the general statement, and that an examination of the cash account and bills discounted be deferred until Saturday afternoon, the 29th inst., at 4 o'clock.

FRIDAY, *February* 28, 1840.

The secretary was requested to notify each director of the Manhattan Company that this commission is organized, and ready to obtain any particular information which may be suggested within the terms of their appointment.

The secretary was requested to notify the officers of the company of the meeting of this commission to-morrow afternoon, for the purpose of examining the cash and other accounts; but not to do so before 2 o'clock of that day.

SATURDAY, *February* 29, 1840.

The secretary reported that he had sent a notice (of which the following is a copy) to each of the directors of the Manhattan Company:

NEW YORK, *February* 28, 1840.

SIR: The commissioners appointed to examine into the condition of the Manhattan Company are now organized. If you wish them to obtain any particular information connected with the object of their appointment, they will be happy to hear from you on the subject.

Very respectfully, your obedient servant,

F. W. EDMONDS, *Secretary*.

The secretary presented three statements (see statements B, C, and D,) received from the officers of the bank; but inasmuch as they do not present a clear view of the condition of the company, and as the cash account about to be examined will be dated from this day, and the proofs of the dealers' legers, and the discount books, will also be closed up to this period, (being the last of the month,) it was

Resolved, That the secretary compile, for this commission, a complete statement of the assets and liabilities of the bank from the aforesaid statements and from the books of the bank, as the accounts shall stand at the close of this day; and that the same be taken as the basis of the examination of this commission.

The secretary then furnished the following (statement E:)

General statement of the Manhattan Company, February 29, 1840, *as compiled by the Secretary.*

Bills discounted	$974,549 12	
Notes receivable	13,912 77	
Loans on stocks	901,820 11	
Bonds receivable	423,505 36	
Suspense account	5,060 95	
		$2,318,848 31
Real estate and water-works	477,569 98	
Water expenditure	41,303 92	
		518,873 90
Manhattan and other stocks		601,838 92
Expense account		5,349 98
Treasury notes		337,900 66
Leger balance, cash account		919,754 49
Due from foreign banks	177,490 27	
Due from city banks	20,428 22	
		197,918 49
Overdrafts found in the four dealers' legers		95,936 83
		$4,996,420 82

Capital stock		$2,050,000 00
Commissioners of the canal fund (N. Y.)		671,694 99
Treasurer United States	$214,904 66	
Post Office Department	96 16	
		215,000 82
Treasurer State of New York		7,005 40
Commissioners of the canal fund (Ohio)		2,129 43
Unclaimed dividends Manhattan Company	16,199 07	
Interest due holders New York State stocks	16,084 02	
Interest due holders Ohio State stocks	25,292 33	
		57,575 42
Due to foreign banks	205,465 51	
Due to city banks	125,376 94	
		330,842 45
Manhattan bank notes on hand	293,402 00	
Manhattan bank notes in circulation	281,389 02	
		574,791 02
Amount of discounts received		47,426 80
Individual deposites:		
Footings of the four dealers' legers	695,598 86	
Reid, Irving, & Co.	212,649 16	
		908,248 02
Unclaimed balances	4,265 39	
Water revenue	1,910 25	
Foreign bills in suspense account	2,500 92	
Robert White, cashier	3,862 38	
Exchange account	1,424 57	
Dividend	386 26	
United States stock	1,881 65	
		16,231 42
Profit and loss, being the difference between the debit and credit side of this statement		115,475 05
		$4,996,420 82

SUMMARY.

Assets.

Bills discounted, payable in New York	$603,144 76
Bills discounted, payable elsewhere	62,730 56
Bills discounted, with stocks as collateral	63,700 00
Bills discounted, under protest	244,982 10
Notes receivable	13,912 77
Loans on stocks	901,820 11
Bonds receivable	423,505 36
Real estate and water-works	518,873 90
Manhattan and other stocks	601,838 92
Treasury notes	337,900 66
Bills of city banks	163,443 28
Specie	411,424 15
Due from banks	197,918 49
Overdrafts	95,936 83
	$4,641,131 23

Liabilities.

Canal fund	$671,694 99
Treasurer of the United States	215,000 82
Treasurer of the State of New York	7,005 40
Treasurer of the State of Ohio	2,129 43
Dividends and interest unpaid	57,575 42
Due to banks	330,842 45
Circulation	281,389 02
Individual deposites	695,598 86
Reid, Irving, & Co.	212,649 16
Miscellaneous account	12,510 34
	$2,486,395 89

The commissioners afterwards proceeded to examine the cash assets of the company, and found the same to amount to the sums given below. All of which were duly counted, with the exception of the specie: this they examined by the marks upon the bags of gold, and boxes and kegs of silver, selecting indiscriminately two of each, which were weighed and examined in their presence.

Bills of the Manhattan Bank.

Of the denomination of $1,000	$113,000 00
" " 500	68,500 00
" " 100	12,200 00
" " 50	10,250 00
" " 20	19,000 00
" " 10	24,560 00
" " 5	21,490 00
Mutilated bills	18,068 00
Post-notes	2,490 00
In second and third tellers' cash not assorted	3,944 00
	293,502 00

Bills of other Banks.

City bank notes	$154,483 28	
Trenton bank notes	8,615 00	
Uncurrent notes	345 00	
		163,443 28

Specie.

In boxes, (silver)	$230,000 00	
In kegs, (silver)	20,000 00	
In bags, (gold)	152,532 38	
Small coin	4,000 00	
On tellers' trays	4,442 77	
Copper coin	449 00	
		411,424 15
		$868,369 43

The commissioners then called for the leger balance of cash, to compare the sum total of the above with said balance; but were informed it could not be given, in consequence of the absence of the book-keeper: but were promised the same at their next meeting on Monday.

The Treasury notes of the bank were also counted, and, with the exception of $200,000, found to be correct. This sum of $200,000 had been sent to Washington for redemption, and they were shown the letter of the Secretary of the Treasury acknowledging their receipt. The account of Treasury notes stands thus:

Treasury notes on hand in bank - - - - -	$137,900
Treasury notes in Washington - - - - -	200,000
	$337,900

The commissioners proceeded to examine the discounted paper of the bank, and examined singly every note, bill, and acceptance, not yet matured, with the exception of those payable in foreign places, which have been forwarded for collection in due course of business.

The secretary was requested to prepare statements of the same in three classes, viz:

1st. Of those under protest;

2d. Of those payable out of the city;

3d. Of the residue running to maturity, with an aggregate table showing the amount due each month.

All the particulars of the notes in the first class to be specified; but to omit the time when due in those in the second and third classes; and to present the aggregate amount only of those in the second and third classes under $500, as a specification of particulars of items under this amount would enlarge the document, without presenting any beneficial result;—the notes being of the ordinary character to be expected in the discount line of a banking institution.

Statement F.	City bills not matured amount to - -	$666,844 76
" G.	Bills payable out of the city - -	62,730 56
" H.	Bills under protest - - -	244,982 10
	Aggregate - - - -	974,557 42
	Leger balance - - - -	974,549 02
	Excess - - - - -	$8 40

MONDAY, *March* 2, 1840.

The commissioners called for the leger balance of cash promised on Saturday evening last, which was obtained from the book-keeper, and found to be $919,754 49. The sum total of cash, as counted, being but $868,369 43, the sum of $51,385 06 was found to be wanting. The cashier of the company, being informed of this fact, proceeded to the first teller's desk to learn the cause; but the teller had left the bank, and could not be found.

The secretary read the following letter, received from Jonathan Thompson, a director of the company, in answer to the circular letter addressed to the directors on the 28th ult:

NEW YORK, *February* 29, 1840.

DEAR SIR: In reply to your favor of yesterday, I beg leave to say that, as a director and stockholder of the Manhattan Company, my desire is to see a full and impartial statement of the affairs of said company; and, to effect that object, I would respectfully invite the attention of the commissioners to ascertain, from actual inspection, the particulars of all the debts of the company; to examine all the assets, and state their opinion of their value; to inquire into the values of the stocks held by the company in their own right, as well as those which may have been lodged as collateral security. And it would also be desirable to know whether such loans have been made to the alleged owners of the stocks, or whether for the use or benefit of other parties than the borrowers; obtaining the dates of the loans, and of the transfer of such stocks to the company.

I would also suggest an examination of the notes, bonds, and other securities held as collaterals for loans or discounts, with the opinion of the commissioners of the probable loss which may be sustained thereon; to ascertain whether any securities are held for the overdrawings, and the value of the same; whether the stocks held by the company in their own right have become so by *bona fide* purchase, or otherwise; to inquire into the deficiency existing in the books, and into the discrepancy between the statement of the surplus profits of the company on the 1st of January, as made by the board of directors, and the report of the committee of examination; to inquire into the earnings of the six months preceding the 1st January last, and whether the interest on stock loans has been collected; what has been the loss sustained on that part of the 5 per cent. State stock which has been sold, and what will be the probable loss on the residue, if realized in season to pay the amount due the canal commissioners; what have been the issues of bank-notes, what amounts now in circulation, and what on hand; whether any agencies have been undertaken by the company, what responsibilities incurred, what compensation received, and by whom; to ascertain the actual amount due to individuals for deposites, the amount due to foreign bankers, and the actual state of the profit and loss account; and what disposition has been made of the stated balance in the accounts of the company.

As the loans were made without the knowledge or approbation of the president and board of directors, (although they may have been made with the privity of some of them,) were they in conformity with the by-laws of the institution? The by-laws were made under the authority of the charter; and were so guarded and protected that a special provision and requirement were made necessary before any alteration or amendment could be made. It appears that the mal-administration of the affairs of the company commenced many years since, and still continues, in consequence of many of the stockholders (both State and individual) having given their proxies to an officer of the company who assumed the responsibility, and has used them according to his pleasure or discretion.

The loans were first stated to have been made in consequence of the United States deposites, and by the authority of the Secretary of the Treasury; but are now attempted to be justified by an alleged vote of the board of directors in the year 1824, which, if ever made, was illegally so, and unknown to most of the present directors until recently.

The preceding are the principal points which now occur to me as deserving the particular investigation of the commissioners; and the informa-

tion obtained will enable the stockholders to form an opinion of the value of their investments.

Very respectfully, your obedient servant,

JONATHAN THOMPSON.

F. W. EDMONDS, Esq., *Secretary*.

Whereupon, on motion, it was

Resolved, That no authority is conferred upon this commission to make investigations other than such as relate to the actual condition of the Manhattan Company, nor to express opinions, but merely to report facts.

The secretary was directed to furnish Mr. Thompson with a copy of this resolution, and to inform him that most of the inquiries he desires this commission to make will be found answered in their report to be made to the stockholders.

The commissioners proceeded to examine the following accounts; and, in doing so, compared each item with all the securities attached thereto:

Bonds receivable (see statement I)	$423,505 36
Loans on stocks (see statement J)	901,820 11
Manhattan and other stocks (see statement K)	579,050 83

The last item does not agree with the amount given in the general statement; for the reason, that the stocks are charged in the account at the amounts paid for the same. The commissioners enter them at their par value.

WEDNESDAY, *March* 4, 1840.

The secretary read a copy of the following letter sent to Jonathan Thompson:

NEW YORK, *March* 3, 1840.

DEAR SIR: Your letter of the 29th ultimo was received by me at a late hour on Saturday evening.

At a meeting of the commissioners yesterday afternoon, I laid it before them, and they directed me to furnish you with a copy of the following resolution, and to state that the greater part of the information you desire will be given in the report which will be made to the stockholders under the resolution of the board of directors; but that any facts bearing upon the origin or continuation of loans, or other contracts, and affecting their value, will, upon your suggestion, or that of any other director, be inquired into and reported upon.

Copy of resolution:

"*Resolved*, That no authority is conferred upon this commission to make investigation; other than such as relate to the actual condition of the Manhattan Company, nor to express opinions, but merely to report facts."

Respectfully, your obedient servant,

F. W. EDMONDS, *Secretary*.

JONATHAN THOMPSON, Esq.

The account in the general statement termed "real estate and waterworks" being under examination, it was found that the original cost of many of the items could not be ascertained without a tedious and laborious examination of old accounts; and that there were other items embraced in

the statement, such as fixtures, &c., the character and value of which the commissioners were unacquainted with; and they therefore obtained a description of each and every kind of property enumerated and now possessed by the company, and affixed opposite the same the valuation of the assessors for taxes, as well as the estimates of the officers of the company. (See statement L.)

The item under the same head styled "water expenditure" they ascertained was created by charging, for many years back, the excess of expenditure over and above the annual income, to this account; meaning, thereby, to show the loss the company has sustained, from the commencement of its charter, by supplying the city with water.

The next account examined was that of "notes receivable:" amounting to the sum of $13,256 33. (See statement M.)

They also inspected the balance-sheets of the legers containing the accounts of individuals. Among these accounts was a balance to the credit of Reid, Irving, & Co., of London, amounting to $212,649 16, which they separated from the sum total of individual deposites—the same being for amount of bills drawn on said house against a letter of credit for £50,000; to cover which, the company had sent them $300,000 New York State 5 per cent. stock, for sale, (as per statements N and O,) and part of which the company claims to have been sold below the limits fixed by them.

They also found overdrawn accounts in the dealers' legers amounting to the sum of $95,936 83. (See statement P.)

"Suspense account" and "expense account" being next taken up, the commissioners were informed that the former consisted of a few old debts upon which partial payments had been made, and that the latter embraced the current expenses of the institution for the last quarter; connected with which is a list of yearly salaries paid by the company on the 31st December last, (see statement Q;) since which, the salary of the president has been reduced to $2,500, and that of the cashier $3,500 per annum. There has also been a reduction among some of the clerks.

The chairman and secretary were then appointed a committee to examine, during banking hours to-morrow, (March 5th,) such accounts upon the general statement as have not been previously passed by this commission, and to report thereon at the next meeting.

The secretary was directed to furnish the cashier of the Manhattan Company with a copy of the following interrogatories, and to request his reply thereto:

NEW YORK, *March* 4, 1840.

DEAR SIR: I am directed, by the commissioners appointed to investigate the condition of the Manhattan Company, to furnish you with a copy of the following interrogatories, and to request your written replies thereto:

"Is the Manhattan Company, or any director, officer, or clerk, or any or one of them, employed as an agent to register or transfer stock, and issue and cancel certificates, for any State, corporation, institution, or company? If yea, state the name of every such director, officer, or clerk, and the name of every such State, corporation, institution, or company, and whether the Manhattan Company is responsible for such agency.

"State the compensation, if any, received for such agency, or either of them; and whether such compensation is for the benefit of the bank, or any director, officer, or clerk, and which of them, acting as such agent.

"How long has such agency existed? and what is the sum total of compensation received for such agency?

"How often are the accounts of such agencies rendered? and how often, and in what manner, are they confirmed by the principals respectively?

"Were any of the loans on stocks originally made to another party? If so, state the name of such other party, and the reason for the change.

"State also the cause for receiving security at a different and subsequent date from that when the loan appears to have been made."

Respectfully,

F. W. EDMONDS, *Secretary*.

ROBERT WHITE, Esq., *Cashier*.

FRIDAY, *March* 6, 1840.

The chairman and secretary reported that they had examined the following accounts agreeably to the instructions received at the last meeting:

Amount due to and from city banks, (see statement R.)

Amount due to and from foreign banks, (see statement S.)

Circulation account, (see statement T.)

Account of unclaimed dividends and of interest due to holders of Ohio and New York State stocks.

Amount due canal commissioners of the State of New York.

Amount due canal commissioners of the State of Ohio.

They also examined "profit and loss account;" but, in consequence of the company's keeping two sets of books, (one for the water-works and part of the real estate, and one for the bank,) they could obtain no satisfactory information respecting this account; and, therefore, the amount given in the general statement is made by finding the difference between the assets and liabilities in that statement.

They examined every other item given in the general statement, not heretofore examined by this commission, and also the transfer-books and stock-legers of all the institutions and States of which the bank is agent; and inquired into the mode and manner in which, the several clerks of the bank conduct their respective departments; which they found, in the main, satisfactory and accurate.

The secretary read the following correspondence between himself and the cashier of the Manhattan Company:

NEW YORK, *March* 6, 1840.

DEAR SIR: I am requested by the commissioners to ask you for a copy of the resolution of your board of directors revoking the power originally given to you to make temporary loans, &c.; also, to inquire whether, when such loans were made, you always reported them to the board?

Also, whether the Manhattan Company has, at any time, been interested in cotton shipped from Mobile to the house of Reid, Irving, & Co., of London? If so, the date, amount, and other particulars?

As the commissioners will meet this day to prepare their report to the stockholders, will you favor me with the list of overdrafts of stockholders, &c., retained by you for completion; also, your answer to the interrogatories contained in mine of the 4th instant?

Respectfully,

F. W. EDMONDS, *Secretary*.

ROBERT WHITE, Esq., *Cashier*.

MANHATTAN COMPANY,
New York, March 6, 1840.

DEAR SIR: I have the pleasure of your letter of this date, and now hand you the resolution of the board of directors of the 27th of January, 1840, which you desire. And, in reply to the inquiry, whether, when temporary loans were made, I always reported them to the board? I have to state, that the aggregate amount of such loans was reported in the statement-book to the board semi-weekly; but no detailed report was made to them since 1834, but it would, of course, have been submitted at all times, had they called for it. The Manhattan Company made some shipments of cotton, in 1838, to Reid, Irving, & Co., during the suspension of specie payments, in the hope of saving the exchange on their Mobile funds, which had accumulated there from their collections; a memorandum of which is also enclosed.

With much respect, your obedient servant,

ROBERT WHITE,
Cashier Manhattan Company.

F. W. EDMONDS, Esq.

It was, on motion,

Resolved, That the extracts from the minutes of the Manhattan Company, enclosed in the above letter of the cashier, be entered upon the minutes. [As follows:]

MANHATTAN COMPANY, *January* 27, 1840.

Present: Mr. Gelston, president; Mr. Thompson, Mr. Todd, Mr. Crosby, Mr. Moorehead, Mr. McBride, Mr. Suffern, Mr. White.

Whereas, the president and directors of this company did, on the 5th day of December, 1816, pass a preamble and resolution in the following words, to wit:

"NEW YORK, *December* 5, 1816.

"Whereas the former direction of the board, relative to the cashing of drafts drawn by individuals on banks, and other individuals in distant places, has been found inconvenient, and sometimes difficult of execution: Be it therefore

"*Resolved*, That no draft be cashed by the president, without previously consulting the cashier and at least one director, and obtaining first their consent; nor by the cashier, without previously consulting the president and at least one director, and obtaining first their consent; and that whenever it shall be judged proper to cash a draft, the officers of the bank shall charge interest on the amount of the draft that may be cashed, if, in their opinion, the account of the draft-holder, or other sufficient cause, should not render a charge of interest impolitic."

And whereas the said president and directors did, on the 12th of July, 1821, pass a resolution in the following words, to wit:

"NEW YORK, *July* 12, 1821.

"The standing committee were authorized to loan par on United States Bank stock, or other undoubted bank stock, for the term of three or six months, at an interest at the rate of five per cent. per annum, taking a note and receiving the interest in the first intance."

And whereas the said president and directors did, on the 17th day of April, 1823, pass a resolution in the following words, to wit:

"NEW YORK, *April* 17, 1823.

"The board authorized the loaning of the balance due by foreign banks on notes having not more than sixty days to run; the notes to be secured by a transfer of stock of respectable companies."

And whereas the said president and directors did, on the 22d April, 1824, pass a resolution in the following words, to wit:

"NEW YORK, *April* 22, 1824.

"The president and cashier of the company were authorized to discount and make loans on what they deemed good security."

And whereas the said several resolutions and orders were, it is now believed, in contravention of the by-laws of this company, made in pursuance of the provisions of the charter in such case made and provided: Be it therefore

Resolved, That the aforesaid several resolutions and orders be, and they are hereby, rescinded; and that in future no discounts or loans shall be made by any officer, or officers, or any committee of this company, nor by a board of directors consisting of a less number than seven directors, in conformity with the by-laws.

Which preamble and resolutions were proposed by Mr. Campbell P. White, and seconded by Mr. Crosby, and agreed to.

The memorandum mentioned by the cashier, respecting the shipments of cotton by the company, was also ordered to be entered upon the minutes. (See statement U.)

At the request of the cashier of the Manhattan Company, a list furnished by him of the value of sundry stocks at the time when they were taken, and now held as collateral by the bank, was ordered to be laid before the stockholders, together with a list of dividends declared by the company since the commencement of its charter. (See statements V and W.)

SATURDAY, *March* 7, 1840.

A letter from the cashier of the Manhattan Company, in answer to the interrogatories put to him, was received and read:

NEW YORK, *March* 6, 1840.

SIR: I have the honor to acknowledge the receipt of your esteemed letter of the 4th instant, propounding certain interrogatories, by direction of the commission to examine into the condition of the Manhattan Company, to which you desire an answer; and I now reply to the same.

Answer to the first interrogatory:

The Manhattan Company act as agents for the State of New York, State of Ohio, Planters' Bank of Tennessee, Mechanics and Traders' Bank, New Orleans, and Commercial Bank of Manchester, Mississippi. I am not aware of any director, officer, or clerk of this company, acting as agent for any State or corporation, except as above stated, *ex officio*. I am advised that the company are not responsible for such agency—an opinion recently confirmed by a report of the committee of the House of Assembly, at the present session; in which it is stated, the Manhattan Bank are not liable for any default of their officers in the issue of stock.

Answer to the second interrogatory:

1st. The State of New York pays no compensation to the company, except indemnifying them for expenses of plates, certificates, stationary, &c.

2d. The State of Ohio pays the company $2,000 per annum, and all expenses of plates, certificates, stationary, &c.

3d. The Planters' Bank of Tennessee have their books of transfer kept by the company; in consideration of which, they agreed to transfer and remit the funds arising from collections in that State and the West, free from all expense and risk, to New Orleans; which was found to be of great importance to the company, so long as the banks at the latter place paid specie. Besides keeping a first-rate account with us, they have paid me for my individual services, in correspondence, transmitting accounts, &c., &c., $500 per annum.

4th. The Mechanics and Traders' Bank, New Orleans, keep their books of transfer with this company; in consideration of which, they agreed to transfer the funds arising from our collections there to this city, free of expense and risk. Besides keeping a first-rate account at all times, when specie was paid, this bank has paid me for my individual services, transmitting accounts, &c., corresponding with their European agents and others, $1,000 per annum.

5th. The Commercial Bank of Manchester keep their books of transfer with us; but there has been little or nothing done in this way, and they do not pay any compensation, except having agreed to remit the proceeds of our collections in Mississippi, free of charge, so long as the banks in that State paid specie for their notes.

Answer to the third interrogatory:

The agency for the State of New York commenced in 1818; the State of Ohio in 1825; the Planters' Bank of Tennessee in 1834; the Mechanics and Traders' Bank, New Orleans, in 1834; and the Commercial Bank of Manchester in 1836. I have no means of ascertaining the total amount of compensation received for said agencies.

Answer to the fourth interrogatory:

The accounts, returns of stockholders, &c., are furnished quarterly and semi-annually, as required; but I am not aware of any confirmation of the same, except the mere acknowledgment, from time to time, of their reception.

Answer to the fifth interrogatory:

None of the loans on stocks were made to other parties than those in whose names they now stand; but they do not always bear the original date, as it has frequently happened, when the interest was paid up to a given day, that the old note was cancelled, and a new note substituted in its place, bearing date and interest from such time.

Answer to the sixth interrogatory:

No loan has ever been made by me, without receiving what I deemed good and ample security at the time, in stocks or notes, as will more fully and at large appear by a reference to the report of the committee of examination of this company on the 27th January, 1840; to which I beg leave to request your attention. Sometimes, when the former was received by a *direct* transfer of the stocks to the president and directors of the company, or the cashier, as the case might be, or by (with few exceptions) *irrevocable* powers of attorney to the said president and directors, or to the said cashier, as the case might be; which stocks were afterwards, and frequently after some considerable lapse of time, transferred under such power to the president and directors, or to the cashier, in order to guard against all possible risks. And (with very few exceptions) all the stocks held as collateral secu-

rity by the bank *now* stand in the names of the president and directors, or the cashier. I may add, I have frequently exchanged securities of stocks, for persons having loans from this company; but never, in any case, except when I could obtain a *better* security for a *worse*.

I should state, also, that I receive, pursuant to a law of this State, ten cents for each certificate of New York State stock issued for the Delaware and Hudson Canal Company, for countersigning and recording said certificates.

And it may be proper further to remark, that by an order of the board of directors, bearing date the 20th February, 1840, these several agencies have been discontinued, excepting that of the State of New York and the State of Ohio; and that the Planters' Bank of Tennessee, the Mechanics and Traders' Bank of New Orleans, and the Commercial Bank of Manchester, have been notified that it is desired their transfer-books should be closed as early as practicable; and that, by the same order, the cashier of the Manhattan Company is prohibited from receiving any salary, *in future*, for services rendered to foreign banks. The practice is believed to have been almost universal in this city for cashiers to receive compensation for extra services; and the right to do so is fully established by the decision of the Supreme Court in the case of Flewelling *vs.* the Manhattan Company.

With great respect, your obedient servant,

ROBERT WHITE, *Cashier M. C.*

F. W. EDMONDS, Esq., *&c., &c., &c.*

In conclusion, it was

Resolved, To print, in a convenient form, for the use of the stockholders of the Manhattan Company, the minutes of this commission, together with the statements, documents, and letters in their possession, and such introductory remarks as may be agreed upon.

JAMES G. KING, *Chairman.*

F. W. EDMONDS, *Secretary.*

G 2.

Annual report of the New York Bank Commissioners.

The commencement of the last year exhibited not only a great reduction in the loans and circulation of the chartered banks, as compared with the like period of the preceding year, but also a disorganized condition of our domestic exchanges, and considerable depreciation in the value of the notes of a large portion of the banks in the interior of the State.

On the 1st of January, 1840, the reports of the various chartered banks showed a curtailment of loans and discounts to the amount of $15,512,000 within the twelve months then past; whilst the circulation of the same institutions had experienced, within that time, a diminution of $8,743,365.

Although the pressure consequent upon these reductions was in some degree alleviated by the new loans and circulation of the different banking associations under the general law; yet, still, the rapidity as well as the actual amount, of this contraction, produced an intense degree of distress and embarrassment throughout the country—materially aggravated, perhaps, by the former abundant, if not excessive, bank issues which had taken place after the resumption of specie payments in the spring of 1838.

The contraction in the loans and issues of the safety-fund banks, which commenced about the 1st of October, 1839, arose from a combination of general causes, which operated with great force and severity upon all the banks of the Union at that particular period, together with other reasons of a local character, having reference to the peculiar, and somewhat dissimilar, systems of our own State.

The second suspension of the banks south and west of New York, which occurred about that time, was, without doubt, sufficient in itself to render a large reduction on the part of our banks, not only an act of prudence, but one which became essential to their own stability and credit.

But, without regard to the causes which created a necessity for this sudden and extraordinary contraction,—when it is considered that it was effected in the short period of about ninety days, great cause of surprise, as well as gratification, will exist, not only at the firmness by which it was sustained by the commercial public, but also at the sound condition of our banks at that period, by which they were enabled to control their large circulation, and maintain their credit, while those in a great portion of the other States of the Union had been compelled to submit to the suspension of cash payments.

It will also be remembered that our banks had, a short time before, risen from a state of prostration consequent upon a general suspension, with a large amount of unavailable debt on hand, growing out of the excessive operations of preceding years; and which, of course, greatly lessened their ability to protect themselves against the disastrous effects of a second revulsion in the moneyed affairs of the country.

These considerations, in addition to the integrity and promptitude which our banks have since generally exhibited in discharge of their obligations to the public, should give them strong claims to favorable confidence.

It cannot be doubted that the honorable and firm position assumed and maintained by the banks of the State of New York, at the period above referred to, not only saved the great banking interest of the Union from a total shipwreck—which would, in all probability, have resulted from a second general suspension—but served to prevent the entire prostration of American credit in Europe, at the most important crisis which has, perhaps, yet occurred in our financial history.

The depreciation of the notes of the country banks, which commenced early in the fall of 1839, materially contributed to aggravate the other difficulties and embarrassments of that period, by throwing into confusion the internal exchanges, and deranging that uniformity of relative value between city and country paper, which is at all times essential to the healthy action of business operations.

This depreciation arose, in the first instance, from the discontinuance of the voluntary arrangement under which the notes of the country banks had been purchased in the city of New York, and which had produced the most beneficial effects in maintaining steadiness in the value of the currency throughout all parts of the State.

The causes which induced the city banks to abandon this arrangement, had their origin as well in the necessity then existing for the possession and control of all their funds, to insure their own preservation, as also in the extraordinary amount of the notes of the country banks which was

suddenly thrown upon them for redemption, and which, in connexion with other adverse circumstances, probably produced a want of confidence in the soundness of the country institutions.

It has been supposed that the loans and circulation of the country safety-fund banks were greatly reduced in the fall of 1839, by reason of the forced efforts made by the associations under the general law, during the summer and fall of that year, not only to substitute their own circulating notes in place of the others, but also by the practice which it was said some of them had pursued—of purchasing their bills in the New York market at a discount; thereby employing their funds in this operation, instead of making loans in the ordinary course of banking, and causing a reduced action on the part of the safety-fund banks, by the large and rapid redemptions which they were compelled to make in the city of New York under this state of things.

If these practices existed to any extent, it is not difficult to perceive that their inevitable effect would be to force the currency out of its ordinary channels of circulation, to the point where it was to be redeemed, with a rapidity and frequency never occurring under the healthful and natural operations of trade, and which could not fail to disturb the harmonious action of any system of currency, and seriously embarrass those institutions whose issues were exposed to such a process.

To this cause may be assigned, in part, the breaking up of the system of the purchase of country notes by the city banks—thereby leading to the immediate depreciation of the bills of the banks in most parts of the interior, to rates of discount varying from two to six per cent.; producing general confusion in the exchanges; and preventing, in a great measure, either collections by the banks, or the remittance of funds from the country to the city, through the cheap and ordinary medium of drafts.

This state of things existed at its highest point of severity at the commencement of the last session of the Legislature; and well grounded fears were at that time entertained that this derangement would result in consequences disastrous to the credit of the country institutions, unless an adequate and legalized mode could be devised to produce uniformity in the value of our bank paper—a mode not dependent on mere conventional arrangement, which experience had shown was liable to be dissolved when the interest or necessities of either party required it, but deriving its permanency and value from the force of legislative enactment.

This subject very justly received that consideration on the part of the Legislature which was due to its importance; and after a careful examination of the various measures suggested, a law was passed on the 4th of May last, requiring all the banks out of the cities of New York, Albany, and Brooklyn, to appoint an agent, on or before the 1st day of July thereafter, who shall keep an office in the cities of New York or Albany for the redemption of the circulating notes of the respective banks, at a rate of discount not exceeding one-half of one per cent.

Although the rates of discount on country paper were materially lessened before this law went into effect, by the intervention of other favorable causes, yet the law itself has operated with extraordinary success in attaining the full object for which it was enacted, and producing a general uniformity and steadiness in the value of the country paper, heretofore unknown under any voluntary arrangement between the city and country banks.

The prompt manner in which the banks have, with a few exceptions, continued to redeem their circulation, under the requirements of this law, has produced great public confidence in the soundness of their condition, and operated with happy effect upon the interests of the country at large, by giving free scope to the undisturbed action of both systems of banking, by facilitating business transactions, and rendering them more secure from the dangers incident to fluctuations in the value of the currency.

The associations under the general banking law were subjected to the inspection and supervision of the bank commissioners, by virtue of an act passed at the last session of the Legislature; and we have accordingly visited and examined these institutions—except in one instance, where the officers in charge declined to submit their affairs to our inspection, upon the alleged ground that the law under which the commissioners derived their authority was unconstitutional.

This ground, indeed, was almost universally assumed and insisted upon by those associations which permitted us to examine their condition; and such examination was acceded to, under a protest in regard to the right of the Legislature to compel a submission to our visitation.

The act in question directs that, in case any of the associations, or individual bankers, shall refuse to submit its books and affairs to the inspection of the commissioners, or whose officers shall refuse to submit to be examined upon oath in relation to said affairs, that such association, or individual banker, shall be liable to be proceeded against by the commissioners, in the same manner, and with the like effect, as any incorporated bank may be proceeded against for a violation of its charter.

In conformity with this law, we have instituted proceedings against the association thus refusing, by procuring an order from the court of chancery, requiring cause to be shown, at a time and place stated in the order, why an injunction should not issue suspending its further operations, and also why the association should not be dissolved. The day for showing cause has not yet arrived.

It is well known that a general opinion prevails among the proprietors of the free banks, that the provisions of the act of the last session, above referred to, cannot be constitutionally extended to associations which went into operation before the passage of the law; and it is expected that this important question will be presented to the court of chancery, for determination, in the case already instituted.

Since the act took effect, requiring the appointment of agents at New York or Albany for the redemption of the circulating notes, one only of the free banks (the Millers' Bank of New York, at Clyde) has neglected to make such redemptions; and we have, in consequence, applied to the court of chancery, and obtained an injunction suspending its further action; and its affairs are now in the process of liquidation, through the agency of a receiver.

Notwithstanding the practical operation of the free banking system has not thus far been attended by all the successful results which were anticipated at the time of its adoption, it is still believed that nothing has yet transpired, in the fair experience of the system, by which it should be considered as having failed to effect the legitimate objects of its establishment by the Legislature—either in discharging the various functions of banking with safety and convenience to the public, or in yielding to the capital employed in its operations an adequate and remunerating profit.

It will be recollected that the general banking law went into effect at a

period in the financial affairs of the country marked by many peculiar and adverse circumstances.

The safety-fund banks, immediately on the suspension of specie payments in the spring of 1837, with a commendable regard to the great duty of a resumption within the shortest possible time consistent with their own future credit and the public interest, commenced and continued the contraction of their loans and issues (which had previously been extended to an inordinate degree) until they succeeded in consummating the object in view, by a return to cash payments in the following spring.

The natural and necessary consequence of this severe but salutary contraction was to produce great distress throughout the community, by deranging all the various and multiplied business relations of the country; by impairing that confidence which was essential to the successful prosecution of commercial enterprise; by depressing the value of all property, and rendering impossible, in a great degree, the fulfilment of pecuniary engagements.

At this particular period, when the want of moneyed facilities was felt with greater intensity than perhaps at any previous time in the history of the country, the general banking law was adopted, and a hasty and premature establishment of many associations took place under its authority—not so much with a view to the profits to be derived from the employment of capital in banking, as to create immediate means to relieve the embarrassments of individuals by whom the associations had been instituted.

The deposite of that part of the capital which the law required in the form of State stocks was rendered comparatively easy, by the large amount of these securities which had been issued by many of the States, and which could be readily purchased on private credit, at prices considerably above their market value, as well as above the rate at which they would be received by the comptroller.

The mortgages on real estate were also, in many instances, transferred to the associations by individuals, whose necessities required from the bank, when established, and who imposed on it as a condition to the transfer, the obligation to make immediate accommodation loans on long time—perhaps to the greater part, if not the whole amount of the securities thus deposited.

It must be quite obvious that in such cases, although the public might be secure as it regards the ultimate redemption of the circulating notes, yet the association so organized could scarcely be expected to yield a profit to its stockholders, when the securities which formed the basis of its circulation were not only purchased on credit—and that, too, at prices greatly exceeding their available value—but where its discounts were either chiefly appropriated to the payment of the debt contracted for the securities, or employed in the form of long accommodation loans, to be applied, perhaps, to the discharge of old liabilities, having their origin in any other operation than that of present legitimate business.

It cannot be doubted that, under the most favorable circumstances, in all other respects, no banking institution, under any system, could either permanently sustain its credit, or yield an income to its stockholders, where its action is founded upon a basis so wholly fictitious and delusive.

It is also probable that the removal of the restrictions upon the business of banking, which existed before the passage of the general law, caused the formation of an excessive number of these associations at points where the fair demands of business did not require their establishment.

The free banking system has been considered by many experienced and able financiers as combining in its peculiar features certain great advantages over any other now in operation—so far, at least, as it respects the safety of its circulation, and its comparative inability to produce fluctuations in the currency by excessive issues.

The great and distinctive principle by which this system is marked may be found in the want of power to loan, in the form of discount and circulation, that part of the capital which the law requires to be invested in securities, and deposited with the comptroller; and in the restriction of the circulation to a mere loan of credit, to an extent only equal to these securities—which are placed beyond the control of the association itself, as a guaranty to the public for the ultimate redemption of its notes.

The securities, in the form of public stocks, are required to be (under the law as amended at the last session of the Legislature) exclusively those issued by this State, and to be equal to a stock producing five per cent. per annum; and in no case to be taken by the comptroller at a rate above its par value, not above its current market value.

If any part of the securities consist of bonds and mortgages upon real estate, such mortgages are required, by the original law, to be only upon improved productive unincumbered lands within this State, worth, independently of any buildings thereon, at least double the amount for which they shall be mortgaged, and bearing at least six per cent. interest.

It must therefore be evident that, with proper precautions in regard to the true value of the property described in the mortgages to be deposited, the public have, in the above provisions, a degree of safety from ultimate loss, in reference to the circulating notes, which would seem to be equal at least to that of the banks under the other system.

Although it is stated that a loss has been sustained in the sale of the mortgages deposited with the comptroller, in a single instance, yet we do not consider it certain that the loss arose from the unavailable character of such securities in general.

The indisposition to purchase those particular mortgages at their face may have arisen from a depreciation in the value of the property since the mortgages were executed; or it may have grown out of other causes, which would not thus injuriously affect the like securities of other associations.

Besides, although it may be true that, under the peculiar restrictions which prohibit the loan of the capital in discount and circulation, the profits of the stockholders may be somewhat diminished, yet the increased security arising from the permanent and safe investment of this capital (set apart and exempt, as it is, from the great and ordinary hazards of banking) may perhaps be regarded by prudent men as better, upon the whole, than larger profits with greater risks.

It is well understood, that the banks under the other system take charge, and have entire control, of their own capital; and employ it actively, in conjunction with their credit, in the business of discounting paper, and issuing a circulating medium to a certain limited amount beyond the capital.

Although, under the peculiar feature of the safety fund, by which this system is distinguished in our own State, the public may have more than an ordinary degree of security for the redemption of the notes, yet there are some prominent evils, connected with the power on the part of banks to employ their capital and credit in discounting bills, and issuing a circula-

tion, which may be regarded as inherent, and which it is very difficult, if not impossible, to counteract entirely, either by legislative restrictions, or by experience and skill in management.

The extraordinary profits which are derived from the exercise of this privilege on the part of banks produce an unavoidable tendency towards excessive issues, by making loans not only to facilitate the common and just demands of trade, but also, in too frequent instances, to be used by the borrower in enterprises which, from their nature, render repayment at short time impossible; having no relation to the sale and exchange of commodities, but to objects which require, for a long period, the undisturbed use of real capital, before they can be attained.

Although it is perhaps impossible to avoid, wholly, the making of loans by banks on what is usually called accommodation paper, yet it is not difficult to perceive that issues upon such loans, whenever made, must of necessity be excessive—constantly producing in themselves an increased demand for new issues of the like kind; contributing to disturb those equal relations between currency and trade, which are essential to the prosperity of every community; and producing fluctuations in the prices of commodities, violations of pecuniary engagements, and unnatural depression or expansion of business.

But, under the general banking law, the ability of making excessive issues is at least materially restricted by the limitation prescribed in the law itself; but the tendency also to loans of this description is greatly circumscribed by the consideration that the bank making the loan cannot, in any manner, depend upon or receive aid from the securities deposited with the comptroller, in providing means for the redemption of its notes; but must rely on the payment of sums due to it for notes discounted: thereby creating a necessity, in reference to its own credit and solvency, of confining its loans to business paper having but a short time to run, and always to be paid at maturity.

It is not pretended that all of the free banks have conformed, in their operations, to this salutary and indispensable rule of management. But this is not the fault of the system: nor should the difficulties or complaints of institutions, in regard to sustaining their credit, or making their stock profitable, afford any ground for doubt, as it regards the success of this mode of banking, unless it shall appear that they have been conducted in conformity to the true principles and spirit of the law under which they were established.

Indeed, from the opportunity we have had in learning the operations of banking under this law, we have reason to believe that those banks which are established in places requiring the uses of such facilities—owning the securities deposited with the comptroller, free from indebtedness on account of their purchase, having a fair proportion of cash capital, and principally employed in the discount of business paper—are yielding to their proprietors fair profits, and realizing to the public all the benefits which can reasonably be expected from any other banking institution.

Time and experience are daily developing not only the advantages and defects of the system itself, but exposing, also, those errors in practice which are so apt to occur in the first attempt to carry out any new and untried theory.

In several instances, the stockholders in these associations, having discovered that the business has not fulfilled their expectations in regard to

profits, are gradually winding up their affairs, and receiving the securities deposited with the comptroller. In other cases, they are making laudable efforts to correct the mistakes originally committed in reference to the character of their loans and discounts, and to restore themselves to a position where they will be able to confine their operations chiefly to business paper at short date.

We have received various suggestions from individuals engaged in banking under the general law, proposing material changes and modifications of different parts of the system.

Although it cannot be doubted that imperfections exist, to a greater or less degree, which might possibly be obviated by legislation, yet it is by no means certain that the amendments proposed may not (as they have done in other cases) create additional and opposite defects from those sought to be remedied, and increase, rather than remove, the apprehensions which are already entertained, to some extent, of the practical efficiency of any system of free banking. Besides, we conceive that, unless the changes suggested for the action of the Legislature, shall be of such prominent and obvious utility as to leave no doubt of their beneficial effects when adopted, it will be far better that stability be given to the system by that experience under it, which will not probably fail to produce an appropriate and successful conformity to its present provisions, although they are not, in the opinion of all, as perfect as they might be made by further legislation.

The desire to improve is always the motive professed, and perhaps the one entertained, in most cases, by those who seek to make changes and innovations in any established system. But we are not to forget the great and salutary lesson which experience is constantly teaching us, that changes are not always improvements; and that a state of transition from one mode of business to another is not so well calculated to attain success, as the steady pursuit of the object in view by accustomed means and practices.

Man is so constituted, that, by stability in one course of action, he can generally conform to things as they exist around him, with all their imperfections, in such a manner as to prosper; but if, instead of trusting to this conservative process of nature, he becomes impatient of continuance in a regular and uniform mode of conduct, and makes frequent changes in his position, he too often defeats his own expectations, and fails of that success which forms the inducement to all his efforts.

For these reasons, it may well be doubted whether a change in any important feature of the present general banking law would, at this time, conduce either to the interest of the public or of those engaged in this business. An attempt to make such changes will, almost of necessity, produce alarm and uncertainty with regard to its results. The country requires gradually improving confidence and undisturbed repose. These are essential to its relief from the evils and disasters it has already suffered by an excess of legislation on the subject of the currency.

There is, however, one slight modification of the general banking law which might be made without any violation of the rule above prescribed, and which has, in some measure, become necessary, in consequence of amendments made to the law at the last session of the Legislature: we allude to that provision requiring the making and publication of detailed semi-annual reports of the state and condition of the respective associations.

The 26th section of the act in question prescribes various and minute statements to be inserted in these reports, under eleven different heads;

and provides that each report, when made, shall be published by the comptroller, in a newspaper printed in the county where the place of business of such association is situated, and in the State paper; the expense of which shall be paid by the association. It is obvious that the Legislature designed that the making and publishing of these semi-annual reports should be in substitution of the mode prescribed by the safety-fund system, requiring the periodical visitation of bank commissioners; and as, by the law of last winter, the free banks are subjected to this visitation, it is submitted, whether they should be required to incur the labor and trouble of making these statements, and also the expense of their publication, in addition to that which they must now sustain, in paying the salary of a commissioner. The cost of printing these semi-annual reports alone, it is understood, amounts to a sum nearly sufficient to pay this salary. Besides, the other general expenses which the law already imposes upon these institutions form the subject of much complaint among their proprietors.

Again: we consider these reports as in a great degree useless, from their complexity, and from the indefinite and obscure manner in which the true condition of the association is therein represented. It is impossible, we think, to state a balance, or determine with ordinary accuracy the condition of any bank, from one of these reports. We therefore recommend that the 26th section of the original law be repealed, and that provision be made that each of the associations shall transmit to the bank commissioners an annual statement of its affairs, at the time and in the form prescribed in the case of the safety-fund banks. This will produce a uniformity in the statements of all our banking institutions, by which their actual and relative condition may be better understood and contrasted than at present.

In the month of December last a temporary injunction was issued, on our application, by the court of chancery, suspending the operations of the Wayne County Bank, at Palmyra. Since that time, the original injunction has been continued by order of the court; and the affairs of the bank have been duly placed under the charge of a receiver.

The proceedings against this institution were based upon a careful examination of its condition and affairs, which resulted in a conviction on our part that the capital stock was in a great measure, if not wholly, exhausted; and that it was by no means certain that the valuable assets would meet its other debts. Although its nominal resources considerably exceed all its liabilities, yet the collection of a large amount of debts due to the bank is rendered doubtful, by reason of the insolvency of the debtors; whilst other demands, held, to some extent, against individuals who are supposed to be responsible, are considered insecure, on account of pretended legal objections which are claimed to exist to the validity of the paper discounted by the bank.

It will thus be seen that no definite opinion can be formed with regard to the amount of the assets of the bank, which may ultimately prove unavailable from these causes; inasmuch as a portion, at least, of those debts which are considered doubtful, on account of the embarrassed circumstances of the debtors, will probably be realized by prompt and effective legal measures; whilst the other portion referred to may also turn out to be good, by the failure to establish any legal defence to a recovery.

At the time of the service of the injunction in this case, the notes in circulation of this bank amounted to the sum of $139,392, including notes of every description, either in actual circulation, or which had been previously hypothecated.

It is understood that the doubtful debt in this case had its origin in transactions occurring chiefly during a space of about four years ending in 1839, and connected with the overtrading and speculations of that period; by a reckless and improvident appropriation of its funds to a variety of chimerical enterprises, having no relation to legitimate business; and by the highly culpable conduct of its chief financial officer, in making loans to individuals in large amounts, without taking care that the securities were such as to fully protect the institution; or by permitting those securities, when good, to be withdrawn, and others less safe to be substituted.

By reference to the law establishing the safety fund, it will be found that in case of the insolvency of any institution subject to its provisions, not only the circulating notes, but all its debts, exclusive of the capital stock, are a charge upon the fund, to the amount of any deficiency which may exist above its assets.

This peculiar feature of the law does not seem, until recently, to have been generally understood, either by the public at large, or even by those engaged in the business of banking; and great doubt is entertained in regard either to its justice or expediency.

The safety-fund act was primarily designed to secure bank-note holders, and not depositors or other creditors. The nature of our currency is such, that the notes of banks must be received in the ordinary transactions of business, from the very necessity of the case, without any particular knowledge of the condition of the institutions by which they are issued; and for this reason, it seems entirely proper that those who are thus compelled to receive them, should be shielded from loss, in the event of inability on the part of the bank to redeem them. But, in reference to deposites, or other debts, the case is widely different. No man is bound to deposite in a bank unless he pleases; and if he voluntarily assumes in this manner to make it his debtor, no good reason can be perceived why he should be entitled to greater security than that of the bank to which he gives the credit.

Again: while the law carefully provides against the liabilities of a bank, on account of its circulating notes, by declaring they shall not exceed a limited sum, it throws no guard around the amount it may owe for deposites or other debts. Hence, an institution with small capital, whose contributions to the safety-fund are trifling in amount, may thus involve it, to a ruinous extent, on account of liabilities which it may contract, either for deposites, or by reason of special loans or bank balances.

The whole bank capital subject to the safety fund is now $32,551,460. The amount which can be added to the fund in any one year, by contributions from the banks, on account of any loss, is only one half per cent. on the capital, being $162,795 73. It is therefore easy to perceive that, in case of the failure of one of the large banks in the city of New York, the loss might, and probably would, be so great that the whole annual contributions would not pay the interest on the sum lost; and in this manner the safety fund might be annihilated, and afford no further security for the payment of circulating notes, or any other indebtedness. The liabilities of a single bank in the city of New York, as reported to the commissioners in 1837, were $7,677,944; and if the General Government should again deposite in some bank in that city, such liabilities may reach that amount hereafter.

Besides, we conceive that the effect of this provision is to give weak

and perhaps insolvent institutions, a fictitious credit founded upon the right of the creditor to reimburse himself out of the *fund*; and in this way not only to place the whole *fund* at hazard, but to render those banks which are prudently and skilfully managed sureties against the improvident, if not fraudulent, conduct of the opposite class, over whom the law places no control in reference to the amount of liabilities they may assume.

The safety fund is now, in all probability, adequate to the protection of the public against the circulating notes; but this primary, if not exclusive, object in its original establishment, may be wholly defeated by retaining the present provision in regard to other liabilities. It is therefore submitted whether the law should not be amended in such a way as to exclude all debts, except circulation, from becoming a charge on this fund, which any bank may incur after such amendment takes effect.

During the past year, and particularly since the redemption law went into operation, the banks have gradually, but with great prudence, enlarged their loans and issues, as they were from time to time required for actual business operations. And it is believed that, since the last summer, at least, no want of moneyed facilities has in general existed, either for the purpose of sending forward the abundant products of the country, or for any other object connected with the sale and transfer of commodities.

During the year ending on the 1st of the present month, the loans of the chartered banks have increased $2,605,696.

This comparatively small advance over the extreme reduction, as contrasted with the preceding year, existing on the 1st of January, 1840, did not arise from any inability or indisposition on the part of the banks to extend their loans in business operations. The annexed tables will exhibit the general soundness of their condition, and the large amount of available means on hand.

The low prices of the staple products of the country requiring less capital for their purchase than in former years, and the difficulties and embarrassments growing out of the revulsions of 1837 and 1839, by which commercial enterprise has been greatly reduced in its action, will sufficiently account for this moderate extension of bank loans.

Besides, although the debt of the banks has not been greatly increased in amount, its character has undergone, in our judgment, a material and beneficial change, by transforming a large portion of that which existed in long accommodation loans into active commercial paper.

The circulation of the chartered banks has increased since the last annual report $4,606,056; whilst the notes issued to the associations under the general banking law have been reduced, within the year ending on the 1st of December last, $658,442; making the increase of the whole circulation $3,669,231.

We cannot present a statement of the affairs of the free banks, as they stood on the first of the present year—for the reason, that, by the law, they are required to transmit to the comptroller such statement on the first Monday of January in each year; and a penalty is imposed for neglecting to transmit the same for one month beyond the period when it is required to be made.

On application to the comptroller for these statements, we ascertained that but a small number had yet been received, and that, in all probability, the whole would not be sent in till after the time had elapsed in which the bank commissioners are required by law to submit their annual report.

The following table will present a comparative view of the resources and liabilities of the chartered banks of the State, for the last two years, excluding the City Bank of Buffalo:

RESOURCES.

	1st January, 1840.	1st January, 1841.
Loans and discounts	$52,085,467	$54,691,163
Real estate	2,872,425	3,588,133
Stocks	3,647,970	4,630,392
Bank fund	816,105	861,643
Specie	5,851,018	5,429,622
Notes of other banks	4,380,548	4,922,764
Cash items	2,295,621	2,802,830
Due from banks	6,504,488	10,051,001
Total	78,453,642	86,987,548

LIABILITIES.

	1st January, 1840.	1st January, 1841.
Circulation	$10,360,592	$15,235,056
Loans	326,610	109,784
Due canal fund	2,992,530	2,570,258
Deposites	16,038,416	17,053,651
Dividends	420,580	257,061
Due other banks	7,008,341	10,374,682
	37,147,069	45,600,492
Add capital and profits	41,306,573	41,387,056
Total	78,453,642	86,987,548

In the resources, as above stated, the item of bank balances includes the funds of the country banks in deposite in New York and Albany, amounting to $3,669,231, being an increase over last year of $1,413,387.

The cash items appear to be large in amount; but a considerable proportion is in Treasury notes of the United States, which are convertible at any moment.

The following presents, in a concise manner, the proportions of capital to loans, and of specie to circulation, of all the chartered banks of the State, for the last five years:

	Capital.	Loans.	Proportion of capital to loans.
1st January, 1837 - -	$37,101,460	$79,313,188	1 to 2.137
Do 1838 - -	36,611,460	60,999,770	1 to 1.630
Do 1839 - -	36,801,460	68,300,486	1 to 1.855
Do 1840 - -	36,401,460	52,085,467	1 to 1.434
Do 1841 - -	36,401,460	54,691,163	1 to 1.502

	Specie.	Circulation.	Proportion of specie to circulation.
1st January, 1837 - -	$6,557,020	$24,198,000	1 to 3.675
Do 1838 - -	4,139,732	12,432,478	1 to 3.003
Do 1839 - -	6,602,708	19,373,149	1 to 2.934
Do 1840 - -	5,851,218	10,629,514	1 to 1.812
Do 1841 - -	5,429,622	15,325,056	1 to 2.815

The statements required to be deposited by the safety-fund banks with the Secretary of State by the 20th of January, have all been received, except those of the Wayne County Bank and the Lafayette Bank of New York. We have inserted statements of the condition of these two institutions, delivered to the commissioners in the month of December last.

No statement has been received from the Chemical Bank of New York, which is not subject to the safety-fund law. For the purpose of making the tables complete, of all the chartered banks, we have substituted their report of last year.

Respectfully submitted:

J. G. FORBES,
C. STARR,
T. CARY,
Bank Commissioners.

JANUARY 23, 1841.

G 3.

Statement of the banks of the State of New York, abridged from the report of the bank commissioners, made to the Legislature January 23, 1841.

Banks.	Capital.	Loans and discounts.	Specie.	Funds in New York and Albany.	Circulation.	Notes of other solvent banks.
Albany City Bank	$500,000	$771,299	$50,200	-	$106,206	$277,792
Atlantic Bank	500,000	615,267	27,841	-	80,286	2,044
Bank of Albany	240,000	437,332	23,212	-	92,330	21,602
Bank of America	2,001,200	1,717,263	492,557	-	408,391	237,269
Bank of Auburn	200,000	387,536	14,135	$139,121	176,367	31,403
Bank of Buffalo	200,000	386,005	16,139	44,038	195,760	5,740
Bank of Chenango	120,000	162,875	12,840	86,752	127,989	19,193
Bank of Genesee	100,000	237,811	10,014	114,490	121,986	7,040
Bank of Geneva	400,000	642,086	24,103	198,411	275,499	12,766
Bank of Ithaca	200,000	330,245	10,595	38,422	154,482	23,607
Bank of Lyons	200,000	310,190	9,786	61,095	114,751	2,791
Bank of Monroe	300,000	551,615	7,674	92,951	185,157	6,478
Bank of Newburg	140,000	262,220	21,465	-	141,147	8,163
Bank of New York	1,000,000	1,826,990	333,027	-	552,241	219,174
Bank of Orleans	200,000	317,490	13,129	46,297	148,758	6,034
Bank of Owego	200,000	238,107	14,468	41,102	94,127	14,460
Bank of Poughkeepsie	100,000	210,010	17,145	-	135,200	8,196
Bank of Rochester	250,000	582,895	7,854	44,993	170,142	9,975
Bank of Rome	100,000	236,562	11,082	24,487	145,830	16,421
Bank of Salina	150,000	310,626	7,994	48,635	137,885	2,410
Bank of the State of New York	2,000,000	2,150,929	338,535	-	289,220	372,527
Bank of Troy	440,000	1,004,373	21,271	10,638	154,703	6,665
Bank of Utica and branch	600,000	777,083	41,843	264,230	336,554	38,582
Bank of Whitehall	100,000	182,114	10,664	-	116,930	7,630
Brooklyn Bank	200,000	207,262	1,931	-	8,804	8,779
Broome County Bank	100,000	115,576	12,846	38,540	60,187	5,705
Butchers and Drovers' Bank	500,000	1,026,784	58,663	-	222,007	46,447
Canal Bank	300,000	524,803	31,524	-	116,003	171,628

G 3—Continued.

Banks.	Checks and other cash items.	Due from other banks and corporations.	Deposites.	Profits.	Due to canal fund.	Due other banks and corporations.	Dividends the last year.
Albany City Bank	$6,593	$349,745	$105,204	$123,906	$130,930	$781,040	$40,000
Atlantic Bank	2,774	† 44,460	121,383	19,114	–	21,433	32,500
Bank of Albany	3,156	† 19,955	135,970	63,065	1,288	17,141	20,400
Bank of America	* 981,000	164,476	1,108,145	266,110	–	442,707	180,115
Bank of Auburn	4,507	4,977	47,498	160,651	546	9,605	16,000
Bank of Buffalo	–	27,543	122,511	9,260	110,030	16,359	
Bank of Chenango	–	78	17,123	15,232	540	1,153	9,600
Bank of Genesee	–	6,350	118,601	27,508	–	8,870	11,000
Bank of Geneva	–	8,728	62,973	102,667	852	5,515	40,000
Bank of Ithaca	1,991	6,496	28,193	42,716	–	3,025	30,000
Bank of Lyons	1,000	25,679	22,821	13,670	59,407	99,855	
Bank of Monroe	–	12,086	55,563	55,251	20,000	79,313	24,000
Bank of Newburg	1,560	† 89,847	68,129	45,034	–	26,681	12,000
Bank of New York	376	41,353	1,168,138	144,902	–	106,249	80,000
Bank of Orleans	–	13,626	20,259	10,248	13,246	28,569	16,000
Bank of Owego	–	14,655	17,272	10,081	–	1,615	14,000
Bank of Poughkeepsie	6,510	† 80,357	55,006	33,415	144	10,585	9,000
Bank of Rochester	588	1,801	69,345	26,164	111,112	84,217	22,500
Bank of Rome	–	816	26,616	19,929	5,403	5,726	10,000
Bank of Salina	5,815	1,609	59,389	18,794	10,441	11,653	15,000
Bank of the State of New York	23,783	895,362	782,907	87,130	–	928,533	140,000
Bank of Troy	24,660	21,703	55,980	97,963	20,000	419,533	39,600
Bank of Utica and branch	2,102	62,690	137,655	131,599	4,838	12,579	48,000
Bank of Whitehall	8,504	36,319	24,796	7,881	5,232	570	10,000
Brooklyn Bank	78	–	18,623	31,135			
Broome County Bank	–	5,007	16,756	12,738	143	–	9,000
Butchers and Drovers' Bank	1,798	48,337	410,862	55,830	–	72,194	40,000
Canal Bank	1,282	111,791	110,273	47,511	98,105	348,792	24,000

* Treasury notes.

† Principally on deposite in New York.

G 3—Continued.

Banks.	Capital.	Loans and discounts.	Specie.	Funds in New York and Albany.	Circulation.	Notes of other solvent banks.
Cantrill Bank	$150,000	$231,941	$8,413	–	$128,296	$4,140
Cayuga County Bank	250,000	340,988	15,737	$87,367	185,351	2,273
Central Bank	120,000	222,160	9,738	5,096	150,206	14,953
Chautauque County Bank	100,000	154,214	12,325	–	67,423	7,003
Chemung Canal Bank	200,000	336,498	8,246	38,267	131,041	5,957
City Bank	720,000	1,200,556	310,511	–	216,971	49,452
Clinton County Bank	200,000	397,340	11,216	18,297	193,606	11,389
Commercial Bank of Buffalo	400,000	642,197	40,286	77,242	246,662	36,176
Commercial Bank of New York	500,000	776,308	55,464	–	121,370	32,823
Commercial Bank of Oswego	250,000	401,531	8,286	3,855	216,096	5,107
Dutchess County Bank	600,000	833,115	18,764	–	217,992	5,474
Essex County Bank	100,000	192,176	4,096	–	60,461	8,914
Farmers' Bank	278,000	609,152	13,956	–	180,219	50,557
Farmers and Manufacturers' Bank	300,000	416,671	21,237	–	218,462	10,201
Greenwich Bank	200,000	356,852	46,506	–	77,729	26,232
Herkimer County Bank	200,000	358,349	12,694	47,279	191,139	8,532
Highland Bank	200,000	372,078	25,570	–	189,762	4,151
Hudson River Bank	150,000	299,262	11,421	–	128,331	9,512
Jefferson County Bank	200,000	271,228	12,832	98,359	110,533	6,093
Kingston Bank	200,000	243,135	23,205	–	89,740	12,329
Lafayette Bank	500,000	583,350	32,817	–	94,634	105,848
Lansingburg Bank	120,000	230,497	12,227	11,829	130,681	9,908
Leather Manufacturers' Bank	600,000	1,008,071	130,247	–	193,320	134,712
Lewis County Bank	100,000	228,248	8,561	35,663	137,754	10,819
Livingston County Bank	100,000	239,550	14,552	54,046	135,789	12,430
Long Island Bank	300,000	701,870	46,969	–	169,141	7,980
Madison County Bank	100,000	148,170	5,145	90,822	150,000	12,297
Mechanics' Bank	2,000,000	2,508,294	328,893	–	364,780	87,269
Mechanics and Farmers' Bank	442,000	604,670	34,531	–	115,256	87,206
Mechanics and Traders' Bank	200,000	328,993	45,897	–	112,801	13,473
Merchants' Bank	1,490,000	2,930,030	383,027	–	302,210	773,078

G 3—Continued.

Banks.	Checks and other cash items.	Due from other banks and corporations.	Deposites.	Profits.	Due to canal fund.	Due other banks and corporations.	Dividends the last year.
Catskill Bank	$1,010	* $64,924	$39,245	$11,764	–	$16,438	$12,000
Cayuga County Bank	716	4,203	30,496	12,608	$10,267	7,180	10,000
Central Bank	1,453	36,884	9,088	23,398	4,000	5,440	10,800
Chautauque County Bank	613	25,272	15,446	7,980	26,153	25,838	10,000
Chemung Canal Bank	5,221	9,388	87,284	6,753	17,985	2,182	16,000
City Bank	117,428	120,783	533,627	116,768	–	310,380	57,600
Clinton County Bank	–	2,890	20,139	3,180	86,200	51,578	16,000
Commercial Bank of Buffalo	6,347	15,331	223,042	98,995	68,982	34,501	32,000
Commercial Bank of New York	49,356	22,723	129,352	26,764	44,000	160,113	40,000
Commercial Bank of Oswego	5,455	5,731	51,919	–	38,217	39,084	
Dutchess County Bank	–	* 80,780	71,821	25,364	44,000	21,375	42,000
Essex County Bank	600	–	10,877	3,441	27,477	9,396	8,000
Farmers' Bank	81	58,774	114,233	35,396	5,773	150,000	22,240
Farmers and Manufacturers' Bank	18,086	* 114,975	52,084	25,192	–	27,672	22,500
Greenwich Bank	2,816	15,546	136,080	14,235	–	40,746	
Herkimer County Bank	258	1,307	25,402	12,359	5,315	8,677	18,000
Highland Bank	6,310	* 52,804	38,531	22,778	–	24,090	14,000
Hudson River Bank	754	* 20,674	45,843	9,617	–	16,624	12,000
Jefferson County Bank	1,500	8,519	41,566	34,478	–	16,066	20,000
Kingston Bank	–	* 26,655	34,069	8,410	–	–	13,000
Lafayette Bank	43,338	82,305	167,199	51,738	22,614	106,493	
Lansingburg Bank	–	20,700	30,491	7,314	–	943	12,000
Leather Manufacturers' Bank	–	120,849	456,577	69,476	–	111,955	48,000
Lewis County Bank	1,081	9,910	18,092	19,614	28,665	15,340	10,000
Livingston County Bank	–	1,040	42,676	40,265	71	13,293	14,000
Long Island Bank	9,698	* 47,992	228,431	107,865	–	54,391	36,000
Madison County Bank	16	6,128	29,687	12,406	–	3,353	10,000
Mechanics' Bank	213,158	155,540	989,287	214,251	–	340,880	140,000
Mechanics and Farmers' Bank	870	* 238,151	205,503	161,792	234,772	174,925	44,200
Mechanics and Traders' Bank	75,020	32,760	201,234	17,987	–	17,280	16,000
Merchants' Bank	–	1,137,253	1,570,711	436,994	–	1,187,299	195,160

* Principally on deposits in New York.

G 3—Continued.

Banks.	Capital.	Loans and discounts.	Specie.	Funds in New York and Albany.	Circulation.	Notes of other solvent banks.
Merchants and Mechanics' Bank	$300,000	$581,743	$12,559	–	$102,595	$17,059
Merchants' Exchange Bank	750,000	1,165,450	188,731	–	135,564	124,620
Mohawk Bank	165,000	257,478	11,368	$29,146	68,585	2,956
Montgomery County Bank	100,000	115,472	8,569	91,466	76,788	1,546
National Bank	750,000	1,186,392	197,735	–	154,696	44,441
New York State Bank	368,600	479,639	33,420	–	79,103	254,265
Ogdensburgh Bank	100,000	122,900	11,448	34,541	71,915	5,225
Oneida Bank	400,000	535,325	22,519	227,080	274,580	28,192
Onondaga County Bank	150,000	280,432	12,799	114,831	156,278	4,775
Ontario Bank and branch	500,000	783,883	15,022	65,447	224,821	4,544
Orange County Bank	105,660	241,959	15,770	17,740	143,687	6,549
Oswego Bank	150,000	209,849	8,761	7,609	63,672	4,654
Otsego County Bank	100,000	225,227	10,641	32,021	136,827	27,407
Phœnix Bank	1,500,000	1,019,289	260,507	–	224,570	352,333
Rochester City Bank	400,000	764,324	15,098	88,082	250,438	18,292
Sackett's Harbor Bank	200,000	278,288	14,241	42,855	104,363	3,859
Saratoga County Bank	100,000	175,679	9,369	9,814	92,395	7,161
Schenectady Bank	150,000	266,579	13,787	64,616	57,829	8,054
Seneca County Bank	200,000	380,557	9,459	61,179	145,250	5,298
Seventh Ward Bank	500,000	874,843	43,361	–	143,792	36,688
Steuben County Bank	150,000	280,901	8,132	40,398	112,532	6,918
Tanners' Bank	100,000	146,937	7,531	–	140,440	15,686
Tompkins County Bank	250,000	346,303	11,126	52,123	145,426	17,057
Tradesmen's Bank	400,000	797,088	79,787	–	132,938	22,921
Troy City Bank	300,000	692,648	13,998	54,921	148,238	15,125
Ulster County Bank	100,000	136,228	12,485	–	62,994	10,504
Union Bank	1,000,000	1,395,065	304,438	–	345,800	117,790
Watervliet Bank	250,000	410,039	11,714	20,276	118,640	41,541
Wayne County Bank	100,000	249,613	4,011	7,798	144,392	3,686
Westchester County Bank	200,000	299,065	11,709	–	160,352	2,185
Yates County Bank	100,000	228,541	26,626	38,122	145,028	1,681

G 3—Continued.

Banks.	Checks and other cash items.	Due from other banks and corporations.	Deposites.	Profits.	Due to canal fund.	Due other banks and corporations.	Dividends the last year.
Merchants and Mechanics' Bank	$15,827	$7,941	$47,105	$11,179	$20,240	$111,919	$24,000
Merchants' Exchange Bank	3,649	161,876	394,269	88,971	–	316,806	60,000
Mohawk Bank	3,215	–	74,040	20,246	5,000	3,170	11,550
Montgomery County Bank	167	–	25,500	19,301	–	–	45,000
National Bank	62,027	42,285	524,891	118,031	–	99,749	60,000
New York State Bank	–	* 635,250	123,879	130,455	337,380	783,032	36,960
Ogdensburgh Bank	1,922	795	19,809	6,271	4,933	210	
Oneida Bank	2,306	29,984	185,367	14,167	–	17,706	28,000
Onondaga County Bank	–	17,197	73,713	22,618	15,886	30,584	15,000
Ontario Bank and branch	1,716	14,013	61,740	143,857	–	12,786	50,000
Orange County Bank	457	478	26,379	27,313	–	690	10,566
Oswego Bank	8,884	2,268	20,008	22,180	21,251	11,056	12,000
Otsego County Bank	492	254	23,699	40,306	–	1,452	10,000
Phœnix Bank	–	170,099	650,263	–	–	244,902	
Rochester City Bank	–	9,260	147,530	48,917	36,081	46,871	32,000
Sackett's Harbor Bank	–	6,077	25,992	14,501	5,200	9,322	14,000
Saratoga County Bank	2,863	19,320	24,119	13,574	–	656	10,000
Schenectady Bank	4,144	–	110,069	18,033	8,333	6,907	12,000
Seneca County Bank	–	6,509	63,257	19,525	28,767	15,712	30,000
Seventh Ward Bank	5,576	18,892	247,845	49,710	–	34,726	35,000
Steuben County Bank	–	27,704	47,686	24,647	32,764	9,510	15,000
Tanners' Bank	1,423	* 96,278	21,690	13,877	–	–	7,000
Tompkins County Bank	1,967	6,691	23,878	3,027	13,200	10,493	20,000
Tradesmen's Bank	15,052	40,814	407,932	72,915	–	22,347	40,000
Troy City Bank	2,092	23,726	90,717	49,182	12,535	237,058	30,000
Ulster County Bank	1,500	* 27,077	17,715	12,432	–	1,529	7,000
Union Bank	375,013	233,570	760,006	184,166	–	804,070	80,000
Watervliet Bank	5,143	19,569	28,148	8,044	31,520	128,780	22,500
Wayne County Bank	566	3,977	5,920	15,582	38,586	7,741	
Westchester County Bank	732	* 63,316	36,331	24,577	–	–	16,000
Yates County Bank	8,933	471	38,432	5,023	6,875	11,953	10,000

The following banks are not under the safety fund.

Banks.	Capital.	Loans and discounts.	Specie.	Circulation.	Notes of other solvent banks.	Checks and other cash items.	Due from other banks and corporations.	Deposites.	Profits.	Due to canal fund.	Due to banks and corporations.
Chemical Bank	$400,000	$770,439	$62,385	$143,970	$45,988	$11,497	$61,575	$323,364	$71,699	–	$20,280
Commercial Bank of Albany	300,000	506,752	32,545	108,052	123,462	–	288,835	520,028	262,389	$84,344 21	410,893
Fulton Bank	600,000	1,081,021	117,278	211,757	149,267	–	49,775	392,710	134,116	–	229,419
Manhattan Company	2,050,000	1,316,951	239,240	223,163	183,250	–	232,944	532,051	117,120	262,374 15	115,190
North River Bank	500,000	917,748	75,101	226,773	68,072	13,107	23,949	380,367	34,369	–	69,980