

State of New Jersey
OF THE *1842*

BANK COMMISSIONERS,

TO THE

GENERAL ASSEMBLY,

May Session, 1842.

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1842

REPORT

*To the Honorable General Assembly of the State of Connecticut,
now in session at New Haven.*

The subscribers, Bank Commissioners, respectfully report:
That in July last, they addressed a circular (with a form of return annexed,) to all the Banks in the State, informing them that monthly statements in respect to their condition and business transactions would be expected of them. In the same communication they expressed the earnest desire that no Bank would make a dividend without retaining at least the capital of the institution sound and entire. The Cashiers of the different Banks have in general complied with our request, and promptly forwarded the desired statements. And it would be a source of much satisfaction, if it could be added that the Directors had as fully conformed to the provisions and restrictions of the charters designed for their guidance.

Since last November, your Commissioners have visited all the Banks and their branches—some of them more than once—and they have no hesitation in saying that the bill-holders and the depositors are at present perfectly safe; that the currency of the State is of the first order, with perhaps the single exception of Rail Road notes, in the shape of bank bills; and that they see not how it can be improved, unless the public refuse to be further annoyed with these anomalous issues. In the community, at home and abroad, the idea prevails extensively, that the notes issued by the Housatonic Rail Road Company, are the liabilities of a Connecticut Bank; and their fluctuating value in the market has had any other effect than to increase the stability of credit to our bank issues. Your Commissioners, not having authority to investigate the affairs of that corporation, have no official knowledge of their condition. Yet they have considered it their duty, in conversation, to declare that it had no legitimate connection with the banking system of the State, and that they deemed the privileges granted to said company, an unfortunate and uncalled for departure from the regular course of legislation on the subject of State currency. Your Commissioners have been treated with great civility and attention by the officers of the banks, and the information which seemed necessary to secure the object of the Legislature in this

1827, in which it is enacted that no dividend shall ever be declared by any Bank, which shall exceed in amount the net profits actually in the Bank at the time of declaring the dividend. Your Commissioners in their last report dwelt long and earnestly on this subject, and when visiting Banks thus departing from duty, urgently recommended a different course. Some of them have made no dividend since; of these we name with pleasure the Exchange, the Meriden, and the Stamford. Other Banks have still made one, and some of them two dividends, although their earnings would not warrant the dividends thus made, and it fully appears that nothing effectual can be done by your Commissioners to restrain them. Encroachments upon the Capital of the Banks by way of dividends should never be tolerated, as we remarked in our last year's report, being not only in direct violation of their charters and the statute, but they may also have an immoral tendency. Those in possession of accurate knowledge may constantly deceive the credulous and unsuspecting, by palming off depreciated stock. Purchasers in general are disposed to invest in Banks where regular dividends are declared, and it probably seldom enters their minds that the capital is not sound and entire. Thus, if a portion of the capital of the institution has been divided out, the honest purchaser may be deceived; and if it should happen to fall, as it sometimes may, upon the poor mechanic and laborer, the widow and orphan, it would be peculiarly lamentable.

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

A strong case in connection with the foregoing is found in the report of the Bank Commissioners of the State of New York. In many of the statements of the condition of the Banks, per balance sheets of the Cashiers, we noticed large surpluses, or profits—particularly in that of the Mechanics' Bank in the city of New York, which formerly showed profits to the amount of 600,000 dollars or more, if we recollect rightly, and recently made dividends, when the said Bank was minus of sound capital, probably some 2 to 300,000 dollars. A more recent case is that of the Commercial Bank in the same city, making a dividend (out of profits so called) when the same institution was bankrupt of capital a short time afterwards. These and many other cases of similar nature, have come to the knowledge of the public, and therefore we see the wisdom of examining the assets, and reporting as correctly as possible, by remarking on their statements the true state and condition of any and all Banks, that the public may gain needed information, and that no encroachments may ever be allowed on the Capitals.

It is a question with many, whether directors should borrow, directly or indirectly. Certain it is that if they are borrowers, the amount loaned them should be very limited, particularly in a Bank of small capital. We are sensible, however, that bank loans to directors are perfectly good in numerous instances, and that in many institutions they have been some of its best customers, and most promoted the particular interest of the Bank and its Stock holders. But is the practice a safe one? May not such loans if permitted, run on from a small to a greater and still greater amount, and finally be a means of embarrassing the Bank, and eventually lead to its destruction? The method to guard the future is to profit by the past. The history of Banking Institutions is full of warnings on this point. About two hundred Banks have failed in the United States, and all must admit that in many instances their failure can be attributable only to the improper loans made to Directors by the officers of said Institutions, or rather to the Directors freely helping each other, until millions and millions of dollars have been recklessly squandered by those officers, thereby involving not only the property of the rich, but sweeping away the hard earnings of the laboring classes, and the long-treasured savings of female industry. The enlightened citizens of our free State should use every laudable means to enact laws that will tend to prevent the occurrence of such evils among us.

If Directors want accommodation they can obtain it at other Banks, provided their paper is worthy of credit; but sitting in an institution with their co-directors and personal friends, they successfully plead their own cause before partial judges, as many or all of them may need a similar favor. Some Directors have not sufficient moral courage to refuse a loan to one of the board, even if it tends to embarrass and injure the Bank. In some of our Banking Institutions this evil could never occur, as the direction and ownership of the Stock now stands; for we have banks where the officers are not indebted a cent. In others where there is a disposition to borrow too freely by some of the Directors, they are checked by those not wanting any accommodation, and owning a respectable amount of the stock. We have ever considered a bank in a desirable position, when the officers called for little or none of its funds, but owned a large amount of the stock. If Directors apply for loans, it must be admitted that they are very likely to be accommodated to the injury of others, equally at least, and perhaps more deserving of bank favors than themselves, especially when

money is scarce and commanding a high rate of interest. Accommodation paper, to bank officers is run and re-run in full, some of it about as long as the charter of the bank, as we stated in our former report. Is it suitable and proper for any set of men to be borrowers and lenders at the same board? Could we consent that our School Commissioner and the Treasurer of this State should be at the same time borrower and lender of the funds placed in their hands? These perhaps would be stronger cases than the one before us, and yet they are somewhat similar. If the law is salutary which forbids the cashier to be a borrower directly, or indirectly of the institution in which he is employed, why not with equal propriety extend it to the President and other Directors? It is not our duty, however, to direct as to whom, and how the moneys of our Banks should be loaned, but we think that the present law regarding loans to Directors can be altered for the better. The Directors collectively are now entitled to one third the amount of the capital of the Institution for accommodation paper, in addition to the stock they hold. A prior law, and one which caused much surprise to your Commissioners, allowed to each Director nine thousand dollars, in addition to the stock he held, which in some cases would amount to more than double the capital of the Bank; and they might be borrowers directly and indirectly to any amount. Should one or two directors now want accommodation to the amount of one third of the Bank, in addition to the amount of stock they own, they have the privilege, as the law is at present, provided no loans are made to other Directors. Although in some of our Banks of very small capital, one third of the same would not be a large sum, still the question arises—is it not too great a per centage of the Bank to be loaned Directors for accommodation paper? Take for instance the accommodation paper allowed them in a bank of 500,000 dollars capital; it would be 166,666 2-3 dollars. In a bank of a million, it would amount to 333,333 1-3 dollars, besides the allotment on stock. It may be just and proper, however, to observe, while making these remarks, as to what Directors may have by law in our Banks of a capital of over a million dollars each, that on referring to the statements of the two largest of our Banks, (which are annexed to our report) the Directors in one of said Institutions owed but twelve thousand and nine 28-100 dollars directly and indirectly, and in the other only \$4000 per accommodation and business paper together. Quite a different state of things may be noticed by referring to the statement of another of our Banks, the capital of which is only 51,000 dollars, where the accommodation paper to one individual is 10,900 dollars, to the next highest 5,754, to the next, four thousand and thirty five. Thus it appears that three persons have 20,689 dollars for accommodation paper, from a bank

whose capital is only 51,000 dollars. How Directors, Stockholders and the public can permit such loans, your Commissioners are at a loss to determine. We make these remarks in the hope that the Legislature will establish a scale to govern loans, at least to bank officers, if to no others. Bank Directors (the President excepted,) are allowed nothing for their services; but if they can command fifty to one hundred thousand dollars or more on accommodation paper, they may afford to give their time for such loans at a season when money is commanding a high rate of interest. Honorable and high-minded men (as all Directors should be,) would, of course, not take the funds of the Bank to the injury of the business part of the community; yet as Directors have erred in duty, and may again, further restrictions, we think, would be salutary.

We again adopt the method pursued last year, of giving a balance sheet of each bank, and commenting upon such as require especial notice or remark. Before proceeding to the detail of the several banks, we will mention that they appear to have contracted a smaller amount of bad debts within the past year, than during any previous year since 1836; and that the disposition to liquidate and close upon the banks, such assets as must shrink in the end, is generally manifest, and daily gaining ground.

Here follows the statements and condition of the several banks.
Statement of the condition of the **Brownston Bank**, on the 31st
March, 1842.

LIABILITIES.

Capital stock paid in,	56,950
Bills of the bank in circulation,	44,385
Balance due banks in this State,	467 90
Do. do. out of this State,	3,832 50
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	4,300 40
Deposits not bearing interest,	9,313 29
Dividends unpaid,	1,568
Surplus fund, after declaring last dividend,	5,859 10
Earnings since last dividend,	1,642 73
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Total amount of liabilities of the bank,	\$124,018 52

RESOURCES.

Real estate owned by the bank, viz:—	
Banking house,	500
Bills and checks of solvent banks in this State,	1,980
Do. do. out of this State,	5,142 78
Balance due from banks in this State,	1 50
Do. do. out of this State,	9,741 63
Gold, silver, and other coined money,	5,169 07
Debts due to the bank, viz:—	
From Directors, for accommodation paper,	15,343 11
From other individuals of this State, including drafts and notes payable out of this State, but which have been discounted for the accommodation of residents in this State, and by them indorsed,	57,390 43
From individuals out of this State,	28,750
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Total amount of resources of the bank,	124,018 52

This Bank was visited by the Commissioners, 11th March, 1842.

Surplus fund as within, 1st Dec. last,	\$5,859 10
Suspended paper, \$1,200 to 1,400 dollars, for which the bank has collateral security; the loss on which will probably not exceed	400
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Net surplus,	\$5,459 10

Dividend in June, 1841, 4 per cent. /

Do. Dec., do. 3 per cent. /

Bond of the Cashier, \$30,000.

13 Directors own 520 shares, 50 dollars each, \$26,000.

Cashier's salary, \$800.

President's, nothing.

W. M. Bank, 26th March, 1842.

Amount of capital stock paid in,	51,000
Bills of the bank in circulation,	11,468
Balance due to banks of this State,	1,074 29
Deposits not bearing interest,	10,018 89
Dividends unpaid,	138
Surplus fund, or profit and loss, after declaring last dividend,	2,374 49
Earnings since last dividend,	587 51
	<hr/>
	79,653 17
	<hr/>
Bills of solvent banks in this State,	1,600
Do. do. out of this State,	666
Balances due from other banks, viz:—	
Banks in this State,	100
Do. out of this State,	8,304 63
Gold, silver, and other coined money,	2,214 21
Debts due to the bank, viz:—	
From Directors of the bank, for accommodation paper,	16,275
Do. for notes and bills payable abroad,	2,330
From other individuals of this State, including drafts and notes payable out of this State, but which have been discounted for the accommodation of residents in this State, and by them indorsed,	35,837 41
From individuals out of this State,	12,325 92
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	79,653 17

This bank visited March 11, 1842.

Surplus fund, after last dividend, 1st Feb., 1842,	\$2,374 49
Placed as resources of the bank, at the time of making the last dividend, viz:—	
E. M. Morgan & Co. preferred account,	2,104 55
Do. suspended account,	1,104 86
Lands in Indiana,	600
St. Lawrence Land Company stock, (probably worth but little,)	2,000
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	5,809 41

Balance due on a suspended debt, say \$500, for which the bank
has collateral security.

Bond of the Cashier, \$10,000

12 Directors, and own 548 shares, at 50, 27,400

Dividends 3 per cent. semi-annually.

Salaries of the President and Cashier, 600

Accommodation paper to the three highest debtors, amount to
\$20,689 46.

WHALING BANK, April 8, 1842

Capital stock,	153,600
Circulation,	40,420
Due banks in this State,	467 68
Deposits not bearing interest,	14,459 47
Dividends unpaid,	577 75
Surplus fund, and profit and loss, after last dividend,	4,171 36
Earnings since last dividend,	1,311 66
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	214,907 92

Bills and checks on banks in this State,	1,999 15
Do. out of this State,	1,371
Balance due from banks in this State,	212 13
Do. do. out of this State,	12,750 54
Gold and silver coin,	4,919 23
Stock of this bank owned by the bank,	2,250
Personal property,	1,500
Debts due the bank, viz:—	
From Directors for accommodation paper,	25,222
From individuals in this State,	90,792 22
Do. out of this State,	13,201 65
From corporations and communities other than banks,	60,690
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	214,907 92

Visited 1st April, 1842.

To the credit of profit and loss, after charging last dividend, Jan. 1st, 1842,	4,171 36
Placed as resources of this bank, suspended paper in 1837,	4,819 60
Balance of plates, paper, charter expenses, and vault fixtures,	1,500
	<hr/>
	6,319 60

Salaries of the officers,	1,400
6 Directors, and own 772 shares, at 25,	19,300
Bond of the Cashier,	20,000
Do. Clerk,	10,000
Dividends 3 per cent. semi-annually.	

UNION BANK, New London, 1st April, 1842

Total amount of capital stock paid in,	100,000
Bills of the bank in circulation,	48,838
Balance due to banks of this State,	157 60
Deposits not bearing interest,	12,153 83
Dividends unpaid,	48
Surplus fund, or profit and loss, after declaring last dividend,	7,800
Earnings since last dividend,	1,660 89
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	170,157 62

Real estate owned by the bank.—Banking house,	2,500
Bills of solvent banks in this State,	3,919
Do. do. out of the State,	1,150
Balances due from banks of this State,	482 72
Do. do. out of this State,	27,510 34
Gold, silver, and other coined money,	8,613 77
Debts due to the bank, viz:—	
From Directors of this bank for accommodation paper,	6,096 57
From individuals of this State, other than Directors, including drafts and notes payable out of this State, but which have been discounted for the accommodation of residents of this State, and by them endorsed,	119,885 22
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	170,157 62

Visited 31st March, 1842.

To the credit of profit and loss, after charging last dividend, Jan. 1, 1842,	\$7,800
Bad or protested paper, nothing,	
12 Directors, and own 385 shares stock, at 100,	38,500
Salaries of the officers,	1,100
Cashier's bond,	10,000
Dividends 3 per cent. semi-annually.	

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New London Bank, April 9, 1842.

Total amount of capital paid in,	152,187 50
Bills of the bank in circulation,	31,658
Balance due to banks of this State,	2,158 59
Do. do. of other States,	2,324 08
Deposits not bearing interest,	17,358 51
Dividends unpaid,	882
Surplus fund, or profit and loss, after declaring last dividend,	3,791 98
Earnings since last dividend,	1,999 85
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	212,260 51
Real estate owned by the bank, viz:—Banking house,	4,355
Bills of solvent banks in this State,	1,369
Do. do. out of the State, and checks,	2,099 76
Balances due from other banks, viz:—	
Banks in this State,	1,062 25
Do. out of the State,	30,480 89
Gold, silver, and other coined money belonging to the bank,	7,157 92
Debts due to the bank, viz:—	
From Directors of this bank, for accommodation paper,	6,392
Do. do. for notes and bills payable abroad,	4,723 25
From other individuals of this State, including drafts and notes payable out of this State, but which have been discounted for the accommodation of residents in this State, and by them endorsed,	149,620 44
From individuals out of this State,	5,000
	<hr/>
	212,260 51
Visited 2d April, 1842.	
To the credit of profit and loss, after deducting last dividend, January 1, 1842,	3,791 98
Total amount of suspended paper, 615 dollars.	
Estimated bad debt,	375
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Net surplus,	*3,416 98
Salaries of the officers,	\$1,250
10 Directors, and own 454 shares stock, at 62 50,	28,425
Regular dividends, \$2 on a share, semi-annually.	
Cashier's bond,	20,000
Clerk's do.	10,000

* A portion of this surplus might be judiciously appropriated to the purchase of a new plate for the small bills of the bank.

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Thames Bank, on the 29th February, 1842.

Total amount Capital Stock paid in,	309,600
Bills of the bank in circulation,	44,076 60
Balances due to banks of this State,	3,786 36
Do. do. of other States,	2,522 97
Deposits not bearing interest,	13,874 73
Dividends unpaid,	4,220
	<hr/>
	277,780 56
Real Estate owned by the bank, viz:—	
Banking House,	4,706 29
Other real estate,	26,764 71
Bills of solvent banks in this State, and out of this State, and checks,	4,955
Balances due from other banks, viz:—	
From banks in this State,	1,144 70
" " out of the State,	4,629 73
Gold, silver and other coined money, belonging to the Bank,	4,948 92
Twenty shares Quinebaug Bank stock, owned by this Bank,	1,000
Debts due to the bank, viz:—	
From Directors of the bank for accommodation paper,	17,400
" " for bills and notes payable abroad,	12,000
From other individuals of this State, including drafts and notes payable out of this State, but which have been discounted for the accommodation of residents of this State, and by them endorsed,	174,903 58
From individuals out of the State,	12,000
From corporations and communities other than banks,	9,326 10
Property in Thames River, not otherwise specified,	3,313 93
Profit and Loss,	687 60
	<hr/>
	277,780 56
Visited 29th January, 1842.	
A dividend of 2 per cent. was declared 1st Sept. 1841, at which time it left to the debit of Profit and Loss,	617 74
Bad and doubtful debts, including a portion of Lockport demand,	*6,278 31
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	\$6,796 05
[Continued on next page.]	

*Of this 6,278 31, 4,564 36 is estimated as loss on the Lockport debt.

7 Directors, and own 432 shares at 100, 43,100.
Salaries of the Cashier and Clerk, \$1500. Pres't nothing.
Bond of the Cashier, 20,000.

This bank on the 26th Feb. 1842, made another dividend of two per cent. after charging a part of their earnings to Profit and Loss, which left a balance to the debit of Profit and Loss, as per statement annexed, of \$687 60.

Lockport debt, estimated as resources, 27th Jan. 1842, 13,693 11

Lessened by charging to Profit and Loss, 26th February last,

2,771 15

10,921 96

QUINEBAUG BANK, 6th Nov. 1841.

Total amount of capital stock paid in,	500,000
Bills of the bank in circulation,	40,609
Balances due to other banks, viz:—	
To Banks of this State,	10,175 75
To Banks of other States,	146 05
Deposits not bearing interest,	27,723 10
" bearing interest,	14,195
Dividends unpaid,	976
Balance of interest account,	807 26
Since the September return we have charged to Profit and Loss \$8,567 53.	
	<hr/> 594,663 06

Real estate owned by the Bank, viz:—	
Banking house,	10,150 09
Other real estate,	5,202 03
Bills of solvent Banks in this State,	3,950 81
" " out of this State,	3,009
Balances due from other banks, viz:—	
Banks in the State,	1,519 72
" out of the State,	20,082 43
Gold, silver and other coined money,	4,510 78
Thirty one shares Thames Bank stock, owned by this Bank,	3,100
Stock other than bank stock owned by this bank,	126,000
Personal property owned by this bank,	3,354 01
Debts due to the Bank, viz:—	
From Directors of this bank for accommodation paper,	135,231 30
From other individuals of this State, including drafts and notes payable out of the State, but which have been	

discounted for the accommodation of residents in this State, and by them endorsed, 225,372 89
From individuals out of this State, 33,185

594,663 09

The liabilities of the Directors on the 9th April, 1842 were reduced to 75,187 42 dollars, as appears by information received from the Cashier May 10th, 1842, after our report was nearly completed.

Quinebaug Bank visited again, March and April.

This Institution is much changed in its situation since our last report. To enhance the value (as they hoped) of the former investment of one fourth of its capital then in Rail Road stock, and to aid the Rail Road Company in liquidating its debts, of which the bank held a large amount, they judged it expedient, during the last year, to purchase one thousand shares more of the stock of the said Rail Road Company, at fifty thousand dollars, (half its par value.) Thus far, however, even at that price, it has not proved a lucrative investment, but as it takes the place of a debt that might otherwise have been long suspended, the stockholders are generally satisfied that the arrangement was judicious. The bank is now calling for frequent payments on all their stock notes and accommodation loans, and design to learn at an early day the true amount of their capital, besides their Rail Road stock, which represents, at present, the sum of 175,000 dollars. Loans on 840 shares of their stock, to the amount of 84,000 dollars, have been released, and the stock taken in payment, it being the best settlement, in the judgment of the Directors, which could be made, and 370 shares more, amounting to 37,000 dollars, will, it is probable, revert to the Bank in the same way, making a total amount of released stock of \$121,000;—the bank will then stand with a less number of shares issued, and the capital of the bank greatly reduced.

There are now placed as assets of the bank 1000 shares Rail Road Stock taken in conformity to their charters,

at 100 dollars,	100,000
250 shares purchased at 100,	25,000
1000 shares purchased at 50, half its par value,	50,000
Also, Offerman Rail Road bond,	1,000
Contingent expenses, viz: plates, paper, furniture, &c.	3,354 01
Suspended debts to the amount of 40 to 60,000 dollars, the estimated loss on which, say 30,000 dollars.	

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Norwich Bank, 6th April, 1842.

Total amount of capital stock paid in,	210,000
Bills of the Bank in circulation,	70,679
Balances due to other Banks, viz:—	
To Banks in this State,	5,533 52
To Banks of other States,	1,477 05
Deposits not bearing interest,	36,905 59
" bearing interest,	9,000
Dividends unpaid,	1,437 88
Surplus fund, or Profit and Loss, after declaring last dividend,	4,380 49
Earnings since last dividend,	3,152 60
	342,566 12

Amount of debts due the bank considered doubtful, to 400 dollars.

Real estate owned by the bank, viz:—	
Banking house,	5,450
Bills of solvent banks in this State,	4,000
" " out of this State,	5,943
Balances due from other banks, viz:—	
Banks in the State,	3,710 96
" out of the State,	11,421 75
Gold, Silver, and other coined money,	8,712 01
Debts due to the bank, viz:—	
From Directors of this bank for accommodation paper,	15,000
" for notes and bills payable abroad,	10,000
From other individuals of this State, including drafts, and notes payable out of the State, but which have been discounted for the accommodation of residents of this State, and by them endorsed,	259,328 40
From corporations and communities other than banks,	19,000
	342,566 12

Visited 27th January, 1842.

To the credit of Profit and Loss, after declaring dividend, 1st January, 1842,	4,380 40
Loss—suspended paper, considered bad,	2,997 04
	1,383 44

Regular dividends, 4 per cent. semi annually.
 Officers' Salaries 2,100 dollars.
 Cashier's Bond, 20,000.
 13 Directors—own 506 shares stock at 100—50,600.
 1 State Director—owns no stock.

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Middletown Bank, 30th April, 1842.

Total capital stock paid in,	126,300
Bills in circulation,	48,708
Balances due other banks, viz:—	
To banks of this State,	3,595 92
" of other States,	546 48
Deposits not bearing interest,	25,851 76
" bearing interest,	9,468 90
Dividends unpaid,	590 40
Surplus fund, or Profit and Loss, after deducting last dividend,	9,474 40
Debts due from other banks not above specified, certificates issued,	380 02
Earnings since last dividend,	1,357 83
	225,271 71
Real estate other than Banking House,	17,980 73
Bills of solvent Banks in this State,	3,900
" " out of this State,	3,996
Balances due from other banks, viz:—	
Banks in the State,	3,552 74
" out of the State,	8,373 68
Gold, silver and other coined money,	5,460 02
Stock of the bank owned by the bank,	799 72
Debts due to the Bank, viz:—	
From Directors of this bank for accommodation paper,	8,733
" for bills and notes payable abroad,	5,879 98
From other individuals of this State, and drafts discounted for residents of this State,	164,795 27
From corporations and communities other than banks,	1,800 57
	225,271 71

Visited 6th April, 1842.

To the credit of Profit and Loss, after a dividend 1st March last,	9,474 40
Placed as resources:	
Real estate at Lockport,	15,052 58
Franklin estate, Factory, &c.,	3,683 15
Decree of Foreclosure, 1st July 1842, of land, factory, &c. at Willimantic,	15,116 80
	33,852 53
Considered good,	33,852 53
Doubtful debt \$900. Two last dividends 4 per cent. each.	
Officers' salaries, 1,550 dollars. Bond of the Cashier 25,000.	
15 Directors, own 630 shares at 40 dollars—25,200.	
1 State Director—no stock.	

Jewett City Bank on the 2d April, 1842.

Total amount Capital Stock paid in,	40,000
Bills of the bank in circulation,	39,466
Deposits not bearing interest,	5,971 59
" bearing interest,	2,509 68
Dividends unpaid,	84
Surplus fund, or Profit and Loss since declaring last dividend,	2,462 06
Earnings since last dividend,	394 61
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	90,888 14

Amount of debts considered doubtful due the bank, from 2 to 4000 dollars.

Real Estate owned by the bank—Banking House,	3,750
Bills of solvent banks in the State,	238
" out of the State,	468
Balances due from other banks, viz:—	
From banks in this State,	2,152 54
" out of the State,	3,252 14
Gold, silver and other coined money, belonging to the Bank,	2,825 28
Personal property owned by the bank,	1,790
Debts due to the bank, viz:—	
From Directors of the bank for accommodation paper,	1,920
From other individuals of this State, including drafts and notes payable out of the State, but which have been discounted for the accommodation of residents of this State, and by them endorsed,	65,087 18
From individuals out of the State,	1,605
From corporations and communities other than banks,	7,800
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	90,888 14

Visited 29th January, 1842.

Surplus fund, after declaring last dividend,	2,207 32
Placed as resources of the bank 12th August, 1841—	
1 Offman Bond due April 1842,	1,000
1 do. due April 1843	1,000
Paper suspended	4,833 24
	<hr/>
	6,833 24

Estimated loss on the above,	3,190
Over draft of former Cashier,	257 96
Another bad debt,	605
	<hr/>
	\$4,052 96

Personal estate placed as assets of the bank, consisting of plates, paper, &c.

	1,650
	<hr/>
Deduct surplus,	5,702 96
	<hr/>
	3,207 32
	<hr/>
	3,495 64
Dividend August 1841, 4 per cent.	
Do. February 1842, 3 per cent.	
10 Directors, own 197 shares at 40—7880 dollars.	
Salary of the officers, 625 dollars.	
Bond of the Cashier, 10,000 dollars.	

WINDHAM BANK, March 26th, 1842.

Capital stock,	58,492
Bills in circulation,	55,580
Bills in Boston, redeemed and not returned, \$16,302	
Balances due to banks in this State,	813 94
Deposits not on interest,	5,920 62
Do. on interest,	10,488 82
Dividends unpaid,	556
Surplus fund, after declaring last dividend,	434 10
Earnings since last dividend,	145 17
	<hr/>
	132,430 65

Real estate owned by the bank, viz:—	
Banking house and lot,	1,553
Bills of solvent banks in the State,	207
Do. do. out of the State,	216
Balances due from banks in this State,	455 77
Do. do. out of this State,	23,533 12
Gold, silver, &c.,	4,676 71
Stock of other banks owned by this, Brooklyn,	400
Debts due from Directors for accommodation paper,	1,025
Do. do. business do.,	1,000
Do. do. other individuals in the State,	99,364 05
	<hr/>
	132,430 65

Visited January, 31, 1842.

Surplus, after last dividend in September, \$47 36.	
No doubtful debts.	
Regular dividends 4 per cent.	
11 Directors own stock to the amount of \$10,500.	
Cashier's salary, \$600.	

WINDHAM COUNTY BANK, 26th March, 1842.

Total amount of capital stock paid in,	83,000
Bills of the bank in circulation,	42,164
Balances due to other banks, viz:—	
To banks of this State,	284 09
Do. of other States,	0 00
Deposits not bearing interest,	13,871 91
Dividends unpaid,	213
Surplus fund, or profit and loss, after declaring last dividend,	1,190 57
Earnings since last dividend,	2,748 91
	<hr/>
	143,472 48

Amount of debts due the bank, considered doubtful, \$981 70. Ascertained loss, \$381 70.	
Real estate owned by the bank, viz:—Banking house,	1,861 59
Bills of solvent banks in the State,	509
Do. do. out of the State,	276
Balances due from other banks, viz:—	
Banks in the State,	2,886 66
Do. out of the State,	15,910 22
Gold, silver, and other coined money belonging to the bank,	5,178 82
Debts due the bank, viz:—	
From Directors of the bank for accommodation paper,	3,615
From other individuals of this State, including drafts and notes payable out of the State, but which have been discounted for the accommodation of residents of this State, and by them endorsed,	96,260 13
From individuals out of the State,	15,158 81
From corporations and communities other than banks,	1,280
Other property belonging to the bank, not otherwise specified,	399 25
	<hr/>
	143,472 48

Visited January 31, 1842.

Surplus fund, after last dividend,	1,190 50
Estimated loss on one bad debt,	480
	<hr/>
Net surplus,	710 50

13 Directors own stock to the amount of \$32,000.
Salaries of officers, \$775.
Bonds of Cashier, \$40,000.
Regular dividends 3 per cent.

THEMLOCK BANK, last Saturday in March, 1842.

Capital stock,	80,000
Bills in circulation,	32,860
Balances due other banks, viz:—	
National Bank,	281 51
Deposits not bearing interest,	14,153 20
Dividends unpaid,	120 80
Surplus fund, and profit and loss, including earnings since last dividend,	3,534 63
	<hr/>
	130,750 14

Real estate,	1,919 42
Bills of the banks in this State,	1,527
Do. do. out of this State,	2,521 — 4,048
Balances due from other banks, viz:—	
Bank of Commerce,	11,944 87
Phoenix Bank,	2,208 14
Norwich Bank,	1,285 27
Suffolk Bank,	9,203 95
Farmer's and Mechanic's Bank,	1,440 09
Quinebaug Bank,	2 25
	<hr/>
	28,084 57
Gold and silver,	5,109 72
Amount due for indebtedness,	93,588 43
	<hr/>
	130,750 14

Due from Directors for accommodation paper, as per former statement, 9,150 dollars.

Visited January 28th, 1842.

Surplus fund, after declaring last dividend, \$823 20.
No suspended paper, nor doubtful debt.
11 Directors own stock to the amount of \$14,400.
Regular dividends 3 per cent. semi-annually.
Bonds of Cashier, \$30,000.
Salary of Cashier, \$600.
President, no salary.

CONNECTICUT RIVER BANKING COMPANY, 28th March, 1842.

Total amount of capital stock paid in,	250,000
Bills of the bank in circulation,	41,973
Balances due to banks of this State,	1,672
Deposits not bearing interest,	21,217.91
Do. bearing interest,	13,601.98
Dividends unpaid,	607.25
Surplus fund, or profit and loss, after declaring last dividend,	4,737.31
Earnings since last dividend, (January 1, 1842,)	3,158.85
	<hr/>
	336,968.30
	<hr/>
Real estate.—Banking house,	7,000
Bills of solvent banks in this State,	35
Do. do. out of this State,	377
Balance due from banks in this State,	3,425.51
Do. do. out of this State,	15,454.68
Gold, silver, and other coined money belonging to the bank,	20,506.47
Connecticut River Company stock, 600 shares, at \$100,	60,000
Funds in the hands of agents in New York and Philadelphia,	15,575.33
Personal property belonging to the bank, viz:—	
Letter paper,	318.64
Debts due to the bank, viz:—	
From Directors, for accommodation paper,	12,435
Do. bills and notes payable abroad,	7,048.37
From other individuals of this State, including drafts and notes payable out of the State, discounted for the accommodation of residents in this State, and by them endorsed,	170,376.63
From individuals out of the State,	17,500
From corporations, &c., other than banks,	2,615.67
Other property belonging to the bank, not above specified,	4,302
	<hr/>
	336,968.30
	<hr/>
Visited January 5, 1842.	
Profit and loss, after dividend January 1, 1842,	2,110.99
Due from Connecticut River Company,	1,500
Interest due on Treasury notes,	450
Do. and rents estimated at	700.01
	<hr/>
	\$4,761
	<hr/>
Placed as resources of the bank, viz:—	
Suspended debts—loss estimated at 2,675.	
Estimated loss on \$4,000 post notes, United States Bank, Pennsylvania, 1,600	4,275
	<hr/>
Estimated net surplus,	486

Regular dividends 3 per cent. semi-annually:
 9 Directors own 729 shares, at \$50, 36,950
 Bond of the Cashier, \$15,000
 Do. Clerks, \$5,000
 Officers' salaries, \$1,950

TOLLAND COUNTY BANK, 5th March, 1842.

Total amount of capital stock paid in,	157,000
Bills of the bank in circulation,	35,061
Balances due to other banks, viz:—	
Banks in this State,	9,013.91
Deposits bearing interest,	15,464
Do. not do. do.,	10,139.01
Dividends unpaid,	170
Surplus fund, or profit and loss, after declaring last dividend, and paying for new plates and notes,	4,627.71
Earnings since last dividend,	2,436.25
	<hr/>
	155,711.88
	<hr/>
Real estate owned by the bank.—Banking house,	1,992.59
Bills of solvent banks in this State,	3,169
Do. do. out of this State, and checks,	1,781.74
Balances due from other banks, viz:—	
Banks in this State,	1,071.84
Do. out of the State,	13,962.21
Gold, silver, and other coined metal belonging to the bank,	11,759.03
Deposit in Suffolk Bank, Boston,	2,000
Debts due the bank, viz:—	
From Directors of this bank, for accommodation paper,	1,565
From other individuals of this State,	115,525.02
From individuals out of the State,	3,835.45
	<hr/>
	155,711.88
	<hr/>
Amount debts due, and considered doubtful, say \$1,000.	
Visited 1st February, 1842.	
Surplus fund, after declaring last dividend,	5,622.71
Less, bad debts,	1,000
	<hr/>
Net surplus,	4,622.71
	<hr/>
Number of Directors 9.	
Amount of stock held by Directors, 109 shares, of \$100 a share, is \$10,900.	
Cashier's bonds, \$10,000.	
Two last dividends, 3 and 3 1-2 per cent.	
Salaries of officers, \$900.	

EXCHANGE BANK, 26th March, 1842.

Capital stock paid in,	400,000
Bills of the bank in circulation,	106,727
Balances due to banks in this State,	2,135 31
Balances due to banks in other States,	11,072 50
Deposits not bearing interest,	30,484 56
Do. bearing interest, (left to apply on note not due,)	1,000
Dividends unpaid,	232 80
Surplus, profit and loss, &c,	6,707 29
Variation in ledger,	12 22

558,371 68

Real estate.—Banking house,	11,939 74
Do. other,	11,467
Bills of banks in this city,	3,045
Do. out of do.,	3,107
Balances due from banks in this State,	14,239 87
Do. do. in other States,	4,241 71
Coin,	12,806 28
Stock of this bank,	2,960
Do. in Collins' Manufactory, (good,)	2,000
Debts due from Directors for accommodation paper,	8,100
Do. do. for business notes,	27,535 74
Do. from others,	455,436 78
Other property, (checks and drafts in draw,)	492 56

558,371 68

Visited 6th January, 1842.

Passed two dividends, and to the debit of profit and loss, 6th January,	9 17
Back interest due and not carried to profit and loss, 6th January,	88
Profits,	78 83

Suspended debts, 10,600 30.	
Estimated loss on the same,	6,000
Estimated loss on real estate,	1,000
Do. on \$312.67 due from U.S. Bank, Pennsylvania,	156 33
Do. on 74 shares their own stock,	222

7,378 33

Deduct profits as above, 78 83

Short of capital, 7,299 50

Visited said bank again 24th March, and found the net earnings to be, from 1st January to 24th March, 1842, \$5,750.

Salaries of the officers, \$3,100.

Bond of the Cashier, \$20,000. Do. Clerks, \$6,000.

13 Directors, and own 1,040 shares, at 40—41,600.

HARTFORD BANK, 26th March, 1842.

Capital stock,	\$118,000
Bills of the bank in circulation,	398,877 06
Balances due other banks, viz—	
To banks of this State,	11,504 80
Do. of other States,	39,126 48
Deposits not bearing interest,	162,631 56
Do. bearing interest,	10,566 18
Dividends unpaid,	2,185 72
Profit and loss, after declaring last dividend,	96,303 32
Earnings since last dividend,	29,125 28

1,768,320 40

Real estate owned by the bank, viz.—Banking house,	18,000
Other real estate,	3,500
Bills of banks in this State,	2,967
Do. out of this State,	10,185
Balances due from other banks, viz:—	
Banks in this State,	12,645 02
Do. out of do.,	39,991 50
Gold, silver, and other coin,	78,887 88
Stock other than bank stock owned by this bank,	3,351 58
Funds in the hands of agents of the bank,	11,299 75

Debts due to the bank, viz:—	
From Directors of this bank for accommodation and business paper,	12,009 28
From other individuals and corporations,	1,544,525 01
Other property belonging to the bank, not above specified, viz:—	
Treasury notes,	29,170
Bank checks,	788 38

1,768,320 40

Visited 31st December, 1841.

Surplus fund, including earnings to Dec. 1, 1841,	135,434 10
Less dividend, Dec. 1, 1841, of 3 1-2 per cent.,	39,130

96,304 10

Less bad and doubtful debts, 21,425 33

Estimated net surplus, 474,878 77

An extra dividend was made in September, 1841, of 2 per cent, and yet they had the above surplus on the 1st Dec. following!

12 Directors own 675 shares, 67,500 dollars.

2 State Directors own nothing.

Salaries of officers, 4,950 dollars.

Bond of the Cashier, 30,000 dollars.

Do. Teller, 10,000 dollars.

Do. Book-keeper, 5,000 dollars.

Dividends 3 1-2 per cent. semi-annually.

PHOENIX BANK, on the 1st December, 1841.

Capital Stock,	1,233,100	
Bills in circulation,	370,870	
Balances due other banks, viz:		
In the State,	38,954	54
In other States,	33,840	56
Deposits,	145,503	25
Dividends unpaid,	2,606	66
Surplus fund after declaring last dividend,	60,845	25
Earnings since last dividend,	23,864	02
Litchfield Bank,	82,638	00
	85,345	22
		2,707
		22
		50

Real estate, viz: Banking Houses,	29,000	
Other real estate,	6,880	77
Bills of solvent banks, viz: in the State,	26,472	50
In other States,	9,511	
Balances due from other banks, viz:—		
In this State,	8,164	72
Out of the State,	30,277	17
Checks on New York and in draw,	6,837	28
Gold, silver, &c.	45,870	55
Funds in the hands of agents in New York,	49,775	83
Debts due the bank, viz:		
From Directors—Accommodation,	2,450	
do. Business paper,	1,550	
For paper discounted for individuals out of this State,	226,100	
For individuals in the State, including notes and drafts in and out of the State,	1,371,796	38
Post notes of Philadelphia banks payable in N. York,	10,000	
Treasury Notes, 6 per cent.	19,600	
Hartford and New Haven Rail Road Bonds,	18,000	
Post Notes of U. S. Bank,	50,000	
Profit and Loss,		5 30
		50

Visited January 5th, and March 24th, 1842.

Balance to credit of Profit and Loss since last dividend, 1st March,	49,898	89
Premium reserved as stockholders' fund,	11,000	
Amount surplus fund at Litchfield,	13,500	
		89

Estimated bad debts,	28,800	
Estimated loss on U. S. Bank of Pennsylvania Post Notes,	25,000	53,800
		89
Nett estimated surplus,		20,598
		89

Dividends 3 1-2 per cent. semi annually.
 11 Directors, own 598 shares—59,800.
 2 State Directors, own nothing.
 Bond of the Cashier, 20,000—of the Teller, 10,000—of the Book Keeper and Clerks, 15,000. Salaries of officers, 7,200.
 Litchfield Branch, 7 Directors, own 175 shares—\$17,500.

FARMERS & MERCHANTS' BANK, Hartford, 1st April, 1842.

Capital Stock paid in,	516,300	
Bills of the bank in circulation,	148,634	
Balances due to other banks, viz:—		
Banks of this State,	2,753	133
" of other States,	31,195	39
Deposits not bearing interest,	67,029	71
Dividends unpaid,	553	
Surplus fund, or Profit and Loss,	9,720	19
Earnings since last dividend,	17,492	25
		87

Real estate owned by the bank, viz:—		
Banking house,	13,115	37
Other real estate,	12,705	25
Bills of other solvent banks, viz:—		
Banks in this State,	11,409	25
" in other States,	12,273	05
Gold, Silver, and other coin belonging to the bank,	37,211	19
Stock of this bank owned by the bank,	1,100	
" of Dutchess Co. Bank, Poughkeepsie, N. Y.	2,500	
" of Lafayette Bank, Cincinnati, Ohio,	5,000	
Debts due to the bank, viz:—		
From Directors of the bank; as payers,	41,605	05
From other individuals, endorsed by Directors and discounted for them,	22,254	07
Amount discounted for individuals in this State, other than Directors,	502,243	61
Amount discounted for individuals out of the State,	118,427	03
Due from Corporations other than banks,	6,850	
		87

Visited March 23d, 1842.

Surplus fund after declaring the dividend on the 1st November, 1841,	13,919	29
Since charged to Profit and Loss, for Brattleborough Typographic Stock, and other bad debts,	5,926	97
		32
Estimated loss on Bank stock and suspended debts,	2,300	
		32

Discount earned from 1st Nov. 1841, to 21st March 1842, 16,635 40.
 Salaries and all other expenses deducted to 1st March, 1842.
 Salaries of the officers, 4,850 dollars. Bond of the Cashier, 25,000—of the Teller, 10,000—of the Book Keeper, 5,000.
 13 Directors, and own 727 shares stock, at 100—\$72,700.
 Dividends, 3 1-2 per cent. semi annually.

MIDDLETOWN BANK, 31st March, 1842.

Capital stock paid in,	419,300
Bills of the Bank in circulation,	77,501 99
Do. in transitu,	32,500 ——— 110,001 99
Balances due to other Banks, viz:—	
To Banks in this State,	2,392 11
To Banks of other States,	11,443 67
Deposits not bearing interest,	31,874 79
Dividends unpaid,	966 33
Surplus fund, and Profit and Loss,	31,886 06
	<u>607,864 95</u>
Real Estate—Banking house and lot,	5,000
Other real Estate,	600
Bills of other banks in and out of the State,	3,815 84
Balances due from other banks, viz:—	
In the State,	4,618 21
In other States,	6,824 11
Gold, and silver, and other coined money,	34,980 74
Commercial Bank of Scioto Stock,	8,000
Morris and Essex Rail Road “	1,360
United States 6 per cent. “	10,000
New York city Water “	27,000
United States 6 per cent Treasury Notes,	6,000
Funds in the hands of agents in New York,	70,441 32
Loaned to Directors on accommodation paper,	3,076
Do. “ as members of firms,	17,200
Due from individuals and firms in this State,	216,708 73
Do. “ in other States,	192,240
	<u>607,864 95</u>

Visited 30th December, 1841, and March 26th, 1842.

Surplus fund and Profit and Loss	28,327 42
Discount earned from 1st July to 30th December, 1841, including back interest,	14,979 69
	<u>43,307 11</u>
Less, expenses, including salaries to 31st December, 1841,	1,625
Contemplated dividend, 6th January,	14,675 50 ——— 16,300 50
Nett estimated surplus,	27,006 61

Suspended paper, considered bad, 7,155 59.
 This Bank holds Sciota Commercial Bank Stock, (Ohio,) 8,000.
 Illinois State Bonds, \$5,000, issued to the bank as part payment in 1837. Interest paid regularly to 1st July 1841. 120 acres Indiana Land, \$600. U. S. Bank of Pennsylvania Post Notes, 60 dollars.

31

30,000 New York city Water Stock, placed as assets at cost, 60 per cent, (say 27,000 dollars) bearing interest quarterly at 5 per cent per annum, on 30,000.
 Salaries of the officers, 2,750. Bond of Cashier, 20,000—bonds of Clerks, 7,000. Dividends 3 1-2 per cent semi-annually.
 11 Directors, and own 329 shares at 87 1-2—\$28,787 50.

MIDDLESSEX COUNTY BANK, 26th March, 1842.

Capital stock paid in,	220,600
Bills of the bank in circulation,	52,248
Balances due to banks in this State,	1,231 07
Deposits not bearing interest,	25,699 95
Dividends unpaid,	720
Surplus fund, and profit and loss, after declaring last dividend,	15,692 49
Earnings since last dividend,	3,723 03
	<u>319,814 54</u>
Real estate owned by the bank, viz:—	
Banking house, at rent of 180 dollars per year.	
Other real estate,	10,260 66
Bills of solvent banks in this State,	3,500
Do. do. out of this State,	3,142
Balances due from banks in this State,	151
Do. do. out of this State,	3,234 79
Gold, silver, and other coined money belonging to the bank,	9,335 98
Stocks, other than bank stock, viz:—	
New York State five per cents., \$10,000—cost	9,223
Funds in the hands of agents of the bank, in New York and elsewhere,	23,722 75
Personal property owned by the bank, viz:—	
Waffle irons and gridirons,	1,034 54
Debts due to the bank, viz:—	
From Directors of this bank for accommodation paper,	11,357
Do. for bills and notes payable abroad,	3,000
From other individuals of this State, including drafts and notes payable out of the State, but which have been discounted for the accommodation of residents in this State, and by them endorsed,	223,352 83
From individuals out of this State,	9,500
From corporations and communities other than banks,	9,000
	<u>319,814 54</u>

Visited 30th Dec., 1841, and March 26th, 1842.

To the credit of profit and loss, 27th Dec., 1841,	14,873 62
Six months interest due from agents in N. York,	1,050
	<hr/>
Less expenses to 1st January, 1842,	15,923 62
	1,300
	<hr/>
Discount out from 1st July, 1841, to 1st January, 1842,	14,623 62
	5,650
	<hr/>
	20,273 62
Contemplated dividend, 4th January, 1842, on 220,500, at 3 per cent.,	6,615
	<hr/>
Sundry items yet to be added, say	13,658 62
	900
	<hr/>
	14,558 62
Placed as resources.	
Book debt of E. M. Morgan & Co.,	7,000
St. Lawrence Land Company stock,	1,000
Other losses,	2,317 27-10,317 27
	<hr/>
Estimated surplus,	4,241 35
	<hr/>

Dividends 3 per cent. semi-annually.
 Salaries of officers, 2,020 dollars.
 Bond of the Cashier, 20,000 dollars.
 Do. Clerk, 5,000 dollars.
 12 Directors, and own 392 shares, at \$100—38,200 dollars.

Member Bank, 24 April, 1841.

Capital stock,	100,000
Circulation,	67,486
Balances due to banks in this State,	1,480 49
Deposits not bearing interest,	18,789 61
Dividends unpaid,	88
Surplus fund, after passing last dividend,	296 50
Earnings since 1st Nov. last,	4,874 06
	<hr/>
	216,354 79
	<hr/>
Banking house and lot,	4,180
Other real estate,	11,200
Bills of solvent banks out of the State,	707
Balances due from other banks in the State,	4,006 86
Do. do. out of the State,	9,059 65
Specie,	11,484 86
Stock of this bank owned by the institution,	5,400
St. Lawrence Land Company's stock,	1,000
Debts due to the bank from individuals, Directors included,	165,177 35
Other property belonging to the bank, bank check, &c.,	4,159 07
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	216,354 79
	<hr/>

Due from Directors, 4,715 dollars.

Visited 29th December, 1841.

Surplus fund, Nov. 1, 1841,	\$296 50
Discount carried to Dec. 25, 1841, including exchange,	1,373 33
	<hr/>
	\$1,669 83

Placed as resources of the bank, viz:—
 St. Lawrence Land Company stock, probably valueless, \$1,000.
 2 lots and a house in Tompkins place, New York, 10,000 dollars.
 Cashier's bond, 20,000 dollars.
 Salaries of the officers, 1,050 dollars, and use of a dwelling house
 for the Cashier.
 9 Directors own 255 shares stock—25,500 dollars.
 Passed 2 dividends, May and November last.

EAST HADDAM BANK, 30th October, 1841

Capital stock,	84,880
Due to banks in this State,	7,865 64
Do. out of the State,	3 63
Deposits on interest,	2,711 51
Do. not on interest,	10,840 92
Dividends unpaid,	111
Surplus fund after last dividend,	6,600 63
Earnings since last dividend,	1,709 47
Bills of the bank in circulation,	44,597 47
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	138,920 27
	<hr/>
Bills of solvent banks in this State,	3,220 51
Do. uncurrent do.,	20
Due from Banks out of the State,	304 48
Gold, silver, and other coined money belonging to the bank,	5,501 84
12 shares Whaling Bank stock,	300
Funds in the hands of agents in New York, &c.,	24,988 44
Debts due to the bank from Directors for accommodation paper,	9,972 01
From do. for bills and notes payable abroad,	11,332 28
From other individuals of this State, including drafts and notes payable abroad, but discounted for residents of this State, and by them endorsed,	72,155 95
From individuals out of the State,	11,124 76
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	138,920 27

Visited 24th November, 1841.

Balance to credit of profit and loss, after dividend of 6th August, 1841,	6,600 63
Placed as resources of the bank, viz:—	
Liability of E. M. Morgan & Co.,	5,119
2 other suspended debts,	1,510 42
Uncurrent bank notes,	20
	<hr/>
	6,649 42

Received as collateral security for most of the above, Lawrence Land Company stock, and some Illinois land and Mississippi post notes, to the amount of 1,067 dollars, all of which securities are probably of trifling value.

12 Directors, and own 280 shares, at \$80—22,400,
Salaries of officers, 700 dollars.
Bond of Cashier, 20,000 dollars.
Dividends Aug. and Feb., of 3 dollars per share.

Mechanic's Bank, New-Haven, 1st July, 1842

Capital stock,	300,000
Circulation,	116,000
Due banks in Connecticut,	9,321 25
Do. other States,	15,663 75
Deposits not bearing interest,	75,472 67
Dividends unpaid,	663 50
Surplus fund,	3,849 30
Earnings since last dividend,	6,010 13
	<hr/>
	723,272 50
	<hr/>
Banking house and lot,	9,000
Bills of other banks and checks,	10,420 96
Due from banks in Connecticut,	12,235 63
Do. do. in other States,	51,326 45
Specie,	17,884 95
Farmington Canal stock,	200,000
Funds in the hands of agents in New York,	6,225 51
Debts due the bank,	426,770 20
	<hr/>
	723,272 50
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Due the bank by its Directors, 8,750 dollars.	

Visited 16th December, 1841, and 22d March, 1842.

Net surplus 1st January, 1842, after charging dividend that day of 4 1-3 per cent. on active capital of 300,000 dollars, 3,849 30
This bank passed the July dividend, on account of charging to profit and loss 30th June, 1841, a debt of \$12,061 12.

Salaries of officers, 2,600 dollars.
Bond of Cashier, 10,000 dollars.
Do. of Clerk, 5,000 dollars.

9 Directors, and own 358 shares, at \$100—35,800 dollars.
This bank has upwards of 300 stockholders.
This bank owns 200,000 dollars of Farmington Canal stock, placed as resources of the bank, yet of little or no value.

New Haven Bank, 10th March, 1842.

Total amount of capital stock paid in,	364,600
Bills of the bank in circulation,*	182,421
Balances due to other banks, viz:—	
To banks of this State,	8,775 82
To banks of other States,	8,482 69
Deposits not bearing interest,	66,642 20
Dividends unpaid,	1,633
Surplus fund, or profit and loss, after declaring last dividend,	4,900 04
Earnings since last dividend,	5,959
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	583,614 04

Real estate owned by the bank.—Banking house,	7,385
Bills of solvent banks in this and other States,	4,825
Checks and drafts,	1,762 83
Balances due from other banks, viz:—	
Banks in the State,	25,973 54
Do. out of the State,	6,974 82
Gold, silver, and other coined money belonging to the bank,	26,673 32
Funds in the hands of agents of the bank, in New York,	56,063 94
Debts due to the bank, viz:—	
From individuals of this State other than Directors, including drafts and notes payable out of the State, but which have been discounted for the accommodation of residents of this State, and by them endorsed or drawn, about	278,085 53
From individuals out of the State, about	175,053 81
From corporations and communities other than banks,	816 25
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	583,614 04

Visited 16th December, 1841, and 22d March, 1842.

To the credit of profit and loss, 1st January, 1842,	4,900 04
Bad debts deducted,	449 70

Net surplus, 4,450 34

Due from Bank of Pennsylvania, Philadelphia, 1,034 dollars.

Dividends 4 per cent. semi-annually.

Salaries of officers, 3,800 dollars.

Bond of the Cashier, 20,000 dollars.

Do. Clerks, 10,000 dollars.

9 Directors, and own 220 shares, at \$100—22,000 dollars.

Nothing due from Directors.

* Out of the apparent circulation are redemptions of notes not yet received, \$12,850.

City Bank of New Haven, 1st April, 1842.

Total amount of capital stock paid in,	600,000
Bills of the bank in circulation,	52,347
Balances due other banks, viz:—	
In this State,	6,486 82
In other States,	12,116 105
Deposits not bearing interest,	87,027 87
Dividends unpaid,	1,035
Surplus fund, after deducting last dividend,	93,685 109
Earnings since last dividend,	4,879 31
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	722,486 14

Real estate owned by the bank,	62,268 67
Bills of other banks, in and out of this State,	2,547 619
Balances due from other banks viz:—	
From Banks of this State,	1,062 113
" in other States,	19,084 21
Specie belonging to the bank,	12,322 59
Hampshire and Hampden Canal Stock,	100,000
Funds in the hands of agents in New York,	1,069 10
" in Philadelphia,	373 92
Grand Gulf Bank Stock,	15,300
Debts due to the bank from Directors,	14,067 53
From individuals in and out of the State,	503,394 98
Checks on other banks, &c.	883 19
Expenses paid,	92 64
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	722,486 14

Due from Directors per former balance sheet, \$2,630.
Visited 17th Dec. 1841, and 23d March, 1842.

Surplus fund, March 1,	93,486 08
Suspense account,	20,598 55
Of which is considered good,	5,500
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	78,387 53

This bank has stock in the Hampshire and Hampden Canal, placed as resources of the bank, as per the annexed return, 100,000 dollars, of little or no value.

Bond of the Cashier, 20,000. Salaries of officers, 2,800.

9 Directors, and own 952 shares, at 100—95,200.

Regular dividends, 3 per cent. semi-annually.

New Haven County Bank, March 1st, 1842

Capital Stock paid in,	501,000
Bills of the bank in circulation,	312,740
Balances due to other banks in the State,	272,161
Do. in other States,	18,329 08
Deposits not bearing interest,	46,189 80
Dividends unpaid,	1,510 99
Surplus fund,	15,000
Earnings since last dividend,	7,367 52
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	702,410
	<hr/>
Real estate,	5,185
Bills of solvent banks,	4,069
Balances due other banks in the State,	5,566 19
Do. in other States,	28,801 58
Stock of the bank owned by the institution,	1,660
Funds in the hands of agents of the bank in N. York,	
including American Exchange Bank,	82,675 94
Due from Directors,	2,832
From individuals in the State,	306,396 29
" out of the State,	241,100
Other property belonging to the bank, not above specified,	4,524
Gold, silver and other coin belonging to the bank,	19,600
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	702,410

Visited 16th December, 1841, and 22d March, 1842.

Surplus fund,	13,000
Profit and Loss after dividend of 1st January, 1842,	2,912 62

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	15,912 62
Less, bad debts,	7,218 06

Nett surplus 1st January, 1842,	<hr/>
	8,694 56

Dividends, 1st July, 1841, 4 per cent.—1st Jan. 1842, 3 1-2 per cent.
Officers' salaries, 4,050 dollars.
9 Directors own 1787 shares, at 25—44,675.
Bond of Cashier, 20,000—Bond of Clerks 12,000.

CONNECTICUT BANK, at Bridgeport, including its Branch at Southport, last Saturday in March, 1842.

Capital stock paid in,	269,600
Balances due to other banks,	5,227 92
Bills of the bank in circulation, including branch,	111,055
Deposits not bearing interest,	31,066 04
Surplus fund and Profit and Loss, including earnings since last dividend,	10,745 91
Dividends unpaid,	1,228
Suspended debt,	1,100 24
Due branch at Southport,	3,164 39
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	433,187 50

Real estate owned by the bank and branch,	12,055 94
Value of personal property,	1,000
Bills of other banks on hand,	18,181 05
Gold, Silver, and other coined money belonging to the bank and in bank,	21,703 41
Amount of stocks owned by the bank,	2,227 50
Deposits in other banks,	27,234 67
Amount due from individuals, including about \$9,000 redeeming fund,	316,230 80
Due from corporations, &c.	35,017 23
Bonus paid Washington and Yale Colleges,	10,000
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	433,187 50

Direct indebtedness of Directors, as per balance sheet of 1st of March,

Visited Dec. 14, 1841, and March 21, 1842.

Surplus fund, January 1, 1841,	2,200
September,	1,600—3,800 00

To the credit of Profit and Loss, after making dividend 12th January, 1842,

	1,350 83
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Back interest due to last date,

	192 33—1,543 16
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Nett Surplus,

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	5,343 16

Placed as resources of the bank, viz:

Suspended paper, considered bad,	1,990 08
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Bonus to Yale and Washington Colleges,	10,000
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Charter expenses, &c.	1,000
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Protested notes in 1837 and 1838 at the branch, unpaid,	6,344 30
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	19,334 38

Deduct profits retained at the branch,	2,377 81
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	16,956 57

Deduct nett surplus at the mother bank, as noted above,	5,343 16
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	11,613 41

In addition to the above, this bank holds a note of \$11,000 against A. B. for which they have security in Boston, New York and Illinois Land Co. Stock; which stock has been sold and bid in by the bank, for \$2,227 50. Of course they hold the land, and look to the maker of the note for the balance—say 8,772 50.

7 Directors at the branch, and own 14,500 dollars of stock.

Salaries at the branch 480—at the mother bank 1,475 dollars.

Bond of Cashier 20,000—of Clerk 10,000—9 Directors, and own

188 shares at 100—18,800. Dividends, 1st July, 1841, 3 per cent.

1st Jan. 1842, 2 per cent.

Average amount due from Directors, 22,000.

Balance Sheet, 15th March, 1842.

Amount of capital stock paid in,	806,488
Bills of the bank in circulation,	94,847
Balances due to other banks, viz:—	
To banks of this State,	950 82
Do. of other States,	527 60
Deposits not bearing interest,	27,081 28
Dividends unpaid,	76 80
Surplus fund, or profit and loss, after declaring last dividend,	6,088 15
Earnings since last dividend,	36,260 04
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	372,299 69

Real estate owned by the bank, viz:—	
Banking house,	12,391 55
Other real estate,	8,196 74
Bills and checks of solvent banks in and out of this State,	13,773
Balances due from other banks, viz:—	
Banks in this State,	595 89
Do. out of do.,	38,132 62
Gold, silver, and other coined money belonging to the bank,	9,577 88
Stock of this bank owned by the institution,	19,650
New Haven County Bank stock,	500
Funds in the hands of agents in New York, &c.,	1,539 44
Debts due to the bank, viz:—	
From Directors of this bank for accommodation paper,	2,434 41
Do. for bills and notes payable abroad,	4,484 31
From other individuals of this State, including drafts and notes payable out of the State, &c.,	220,945 82
From individuals out of the State,	37,178 03
United States Treasury notes,	2,900
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	372,299 69

Visited 15th December, 1841, and 21st March, 1842.

Balance to credit of profit and loss, 14th Dec., 1841,	32,961 68
Back interest due on good notes to 1st Dec., 1841,	3,500
Interest due from agents in New York,	1,500
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	37,961 18
Suspended and bad paper, placed as resources of the bank,	37,178 03

	Surplus,	783 15
This bank owns of their own stock, 19,650 dollars.		
Made no dividend since 1st August, 1837.		
Bond of the Cashier, 15,000 dollars.		
Do. Teller, 10,000 dollars.		
9 Directors, and own 556 shares, at \$50—27,800 dollars.		
Officers salaries, 1,250 dollars.		

Balance Sheet, 30th March, 1842.

Capital stock paid in,	177,500
Bills of the bank in circulation,	186,719
Balances due to banks of this State,	600 68
Do. do. of other States,	828 25
Deposits not bearing interest,	19,638 25
Dividends unpaid,	150
Surplus fund, or profit and loss, including earnings since last dividend,	8,220 89
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	363,051 89
Real estate owned by the bank, viz:—Banking house,	10,223 76
Other real estate,	12,187 97
Bills of other banks in this State,	2,611
Do. out of this State,	6,305
Balances due from other banks, viz:—	
Banks in the State,	1,937 78
Do. out of the State,	22,811 27
Gold, silver, and other coined money actually belonging to the bank,	19,347 20
Stock of other banks owned by this bank,	9,800
Connecticut Turnpike stock,	1,020
Debts due to the bank, viz:—	
From Directors of this bank,	1,500
From other individuals in this State,	235,308 01
Do. do. out of the State, about	40,000
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	363,051 99

Visited Dec. 10th, 1841, and 19th March, 1842.

To credit of profit and loss, after last dividend, in December, 1841,	3,961 61
Placed as resources of the bank, Dec. 10, 1841.	

	Estimated losses.
5 notes due in 1837,—8,—9,	7,143 81
9 do. past due, 2,248,	1,686
Balance due on E. M. Morgan's note,	1,085
Greenwich farm taken at 7,000,	2,000
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	11,914 81

Balance of note against A. and B. 6,500, dated January 1st, 1839, mortgage security to the amount of 6,000 dollars.

Note against C., dated May 15, 1839, 2,500 dollars.

Note against D., dated July, 1839, 720 dollars.

Debt against H. of Ohio, 9,800 dollars, security 123 shares stock of Sandusky Bank, (Ohio,) the par value of which is \$12,300.

Real estate formerly received of E. M. Morgan & Co., viz:—
 Lots in New York, 16th st., Bloomingdale road, \$20,500, 95.
 This property appears to be sold, and bonds to the amount of
 \$16,743 80 against two individuals, payable in 12, 18, and 24
 months, with 7 per cent interest, and real estate at Little Falls, to
 the amount of 3,600 dollars, taken in payment.
 Suspended paper at the branch, 3,272 dollars.
 Cashier's bond, 20,000 dollars.
 Clerk's do. 5,000 dollars.
 Officers salaries, (including branch,) 2,550 dollars, and use of
 dwelling house at Norwalk.
 7 Directors own stock to the amount of 15,210 dollars.
 7 do. at the branch, 18,450 dollars.

STAMFORD BANK, 1st March, 1842.

Total amount capital stock paid in,	90,000
Bills of the bank in circulation,	31,521
Balances due other banks, viz:—	
Banks in this State,	589 81
Do. in other States,	414
Deposits not bearing interest,	11,477 25
Do. bearing interest,	567 17
Dividends unpaid,	545 70
Surplus fund, or profit and loss, after declaring last dividend,	1,441 97
Earnings since last dividend,	3,654 55
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	140,211 45
Real estate, other than banking house,	929 21
Bills of solvent banks in this State,	834
Do. do. out of the State,	2,901 63
Balances due from other banks, viz:—	
Banks in this State,	339 79
Do. out of the State,	4 85
Gold, silver, and other coined money belonging to the bank,	2,821 45
City Bank stock, New Haven, Ct.,	9,000
Dutchess County Bank stock, Poughkeepsie, N. Y.,	1,500
Atlantic Bank stock, New York,	400

(Carried over.)

Indiana State bonds, 11 shares, at \$1,000 dollars each,	11,000
Illinois State bonds, 9 shares, at 1,000 dollars each,	9,000
New York and Michigan Land Company, New York City,	1,050
Funds in the hands of agents in New York,	13,178 81
Debts due to the bank, viz:—	
From Directors of the bank for accommodation paper,	1,900
Do. for notes and bills payable abroad,	9,342 68
From other individuals of this State, including drafts and notes payable out of this State, but which have, &c.,	37,125 14
From individuals out of the State,	33,883 79
Other property belonging to the bank, not above specified,	5,000
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	140,211 45

Visited Dec. 9th, 1841, and 19th March, 1842.
 Surplus fund, after dividend in March, 1841, 1,441 97
 Earnings since, to Dec. 9, 2,672 68

4,014 65

Placed as resources of the bank, December 9.

Vault expenses, \$429 21—bonus, \$5,000,	Estimated losses	5,429 21
95 shares New Haven City Bank stock, \$9,500,		570
60 do. Dutchess County Bank stock, \$1,500,		375
4 do. Atlantic Bank, N. Y., (red back),		400
N. York and Michigan Land Co. stock, \$1,050,		525
11 Indiana State bonds, \$11,000,		6,040
9 Illinois do. do., \$9,000,		5,850
2 notes against A., dated Feb. 1st, 1839,		2,507 78
2 notes against B., dated Feb. 1st, 1840, at 60 and 90 days, \$3,000,		1,000
1 note against D., dated Nov. 10, 1839, at 60 days, 300,		150
2 notes against E., dated Dec. 28, 1838, at 3 months,		322 63
		<hr/>
		23,169 62

8 notes from four to five years past due, and now in suit, secured
by mortgage, 2,060 dollars.

Book debt against A. B. of Ohio, 4,000 dollars, security for the
same, 50 shares Sandusky (Ohio) Bank stock, par value of which
is 5,000 dollars.

Cashier's bond, 20,000 dollars.
 Salaries of officers, 1,200 dollars.
 Stock owned by Directors, 11,970 dollars.
 Number of Directors 9.

We find that the amount loaned of late to officers of the banks is quite small, and averaging for the last year, only 414,581 dollars. The loans to Directors in Hartford and New Haven are very light. Large loans to Directors seem peculiar to banks of small capital. We also notice that most of the banks have apparently redeemed their funds from brokers, or left only a small amount in their hands; but we observe that some banks make very heavy loans abroad to bankers and brokers, and for an unusual length of time. If these institutions can not loan their money at home, (and it appears they can not,) would it not be wise to apply for a reduction of their capital? Our banks were not chartered to be lenders of their funds to brokers; and some of them are yet mourning over losses occasioned by misplacing their funds in such hands. Last year and prior, deposits of money to a large amount, were made to bankers and brokers, bearing an interest generally of six per cent. (subject to immediate withdrawal)—security inadequate. It now appears that most of said moneys are withdrawn, and long and direct loans to a very considerable extent are made of such funds.

It is highly important that banking capital should be guarded by acts of legislation, to avoid its abstraction by the officers of these institutions, or by any other persons, on pledge of stock notes,—which, if tolerated to accommodate one stockholder, might be carried to an extent which would involve the whole capital,—especially in times of scarcity in the money market; thus causing great distress to the business community, and subverting the whole object of such institutions. A lamentable picture of the effects of loaning on stock notes is exhibited in our present report. Such loans encourage the holding of stocks by persons of no real capital, (much less surplus capital,) solely for appearances, and thereby tend to the making of misplaced loans on deceptive ownerships; the bank really advancing the funds for stock standing in the name of such individuals, and enabling that class of stockholders, by the aid of these funds, to make the investments of the honest stockholder subservient to their interest. Such practices, in the opinion of your Commissioners, should no longer be tolerated. A prohibition of them would prevent fictitious capital in our banking institutions, and thus remove one great obstacle to their prosperity.

One of the objects of associating capital in banks, is to ensure a regular and profitable income to the stockholders, without their personal management. Banks can not produce such results without an income exceeding mere interest on capital, as certain incidental expenses and occasional losses are unavoidable; hence the

*Of this sum, 414,581 dollars, 135,000 is due from the Directors of one bank. Whole amount of banking capital, 8,873,927 50.

question, to what extent bank issues should be limited, is one of great importance. So long as our banks stand under contract, and hold the ability to fulfil that contract, with the Union Bank, for the redemption of their bills on demand, which renders their bills equal in value to specie, there can be no danger of excessive issues. Had the Southern and Western States adopted a policy of this kind, and adhered to it, the country would never have been embarrassed with its present worthless currency, and its consequent losses in bank stocks.

The Commissioners recommend,

- 1st. That no bank, the capital of which is less than 500,000 dollars, have but seven Directors—if over 500,000 dollars, the number not to exceed nine.
- 2d. That all sums paid for bonus, plates, paper, vault fixtures, and charter expenses, be charged to profit and loss.
- 3d. That no bank be allowed to make loans on pledge of their own stock.
- 4th. That no stock be voted on by proxies, at the election of Directors.

The returns of the banks to the Comptroller we adverted to in our previous report, and stated that we considered them, in their present form, totally useless; and we would again recommend a discontinuance of the same, as they only tend to embarrass and perplex bank offices. Occasional visits from Commissioners should be a sufficient safeguard; but in the event of a continuance of said returns, we would recommend a severance of the items. The object of the law was to put the public in possession of facts showing the condition of each bank in the State. It has been found that the good and bad assets are embodied in one item, so that they can not be distinguished. The different items should therefore be severed; the Cashier should give the liabilities of debtors, under distinct heads, thus:—

Accommodation paper which has not matured,	\$
Do. which has been run at different periods over	
one year,	\$
Over two years,	\$
Over three years,	\$
(Naming in all the above cases, the amount owed by Directors.)	
Amount of all business paper payable in full at maturity, and what portion of it is the liabilities of Directors,	\$
All paper in the bank which is past due, and has so remained for twenty days,	\$
All forged and doubtful paper should be separated from other assets, and the amount stated.	

These expenses would enable the community to arrive at a correct conclusion as to the proper management of the banks, and to judge of their solvency, which is the great object the Legislature had in view.

All which is respectfully submitted.

E. CHAPPELL,
WM. MATHER, JUN. } Bank Commissioners.

New Haven, May 12, 1842.