

ANNUAL REPORT

OF THE

AUDITOR OF STATE

FOR THE

STATE OF INDIANA,

SHOWING THE RECEIPTS AND DISBURSEMENTS OF THE TREASURY DEPARTMENT  
FOR THE FISCAL YEAR ENDING OCTOBER 31, 1853.

TO THE GOVERNOR.

INDIANAPOLIS:  
ASSTIN H. BROWN, STATE PRINTER  
1854.

INDIANA DIVISION  
INDIANA STATE LIBRARY

1853

## GENERAL BANKING DEPARTMENT.

Under the act of the General Assembly approved May 25, 1852, it is made the duty of the Auditor of State to take general and special direction of the operations, and to regulate the business of General Banking.

The labors and responsibilities demanded and incurred in this branch of official service have received a large portion of my time, and engaged my most careful attention.

The safety of the community, the credit and integrity of the State, and a proper regard for the rights of those who have or who may make investments of capital in the business of Banking, required, on my part, a prompt and decisive course of procedure, governed by a desire to render justice to all parties, and to protect the public from the evils incident to neglect, or which might arise from a loose construction of the law; and I take pleasure in stating that no difficulty has presented itself which has not been overcome, and that the present condition of all the Banks which have been organized, under the General Banking Law, is such as to inspire the belief that they are radically sound, and engaged in a legal and legitimate business.

By the rules of construction of this law, as laid down and acted upon by me, each bank has been required to furnish undoubted securities to an amount equal to fifty thousand dollars, as a prerequisite to its legal existence, and also to establish a real and tangible place and house for the redemption of its notes, and to affix to each note which it issues, the name of a cashier, thus obviating three of the principal objections heretofore urged against the propriety and efficiency of the existing banking law.

By reference to the Statement or Abstract, No. 20, in the Appendix to this Report, it will be seen that twenty-nine banks have been organized and are in operation, the nominal capital of which amounts to six million eight hundred and fifty thousand dollars. The actual securities, in stocks, to three million ninety-six thousand two hundred and eighty-two dollars. The amount of notes received by them for issue, three million twenty-five thousand one hundred and fifty-six dollars.

These securities consist of the following State stocks, viz :

Indiana 5 per cents .....	\$2,027,250
Indiana 2½ per cents .....	333,061
Virginia 6 per cents .....	574,000
Tennessee 6 per cents .....	6,900
Missouri 6 per cents .....	70,000
Georgia 6 per cents .....	25,000
Louisiana 6 per cents .....	84,000
California 7 per cents .....	32,000

Ohio 6 per cents .....	42,000
Kentucky 6 per cents .....	2,000
Michigan 6 per cents .....	72,000
Total .....	\$3,977,470

The Indiana 2½ per cent. bonds are taken at such rates as to make them fully equal to Indiana 5 per cents., and the California bonds are temporarily deposited at two-thirds their face, which is quite below their market value in New York. This disagreement in totals of stocks deposited arises from the difference between the nominal and estimated value of the securities.

Six other banking companies have partially organized with an aggregate capital of one million four hundred thousand dollars, but not having perfected their arrangements, the issue of notes has been deferred until the proper securities are tendered. Some portions of the paper is already prepared and ready to be delivered as soon as the requirements of the law are complied with.

It will be seen from the foregoing, that the sum of two million three hundred and sixty thousand three hundred and fourteen dollars of Indiana State Bonds are employed as bank capital within the limits of the State, the interest upon which will be promptly met by the State, thereby sustaining her credit and the value of the securities. The State will also be left in possession of a surplus of revenue, with which to further reduce the amount of her indebtedness.

The rapidly increasing business of the State, the extent and importance of her commercial transactions, owing to her increased facilities for travel and transportation, and the great amount of her agricultural productions as well as her manufacturing enterprises, require a large supply of circulating medium. Up to this period, our circulation, both by the State Bank and under the General Banking Law, is quite inadequate to the actual necessities of our citizens, the more especially, when it is stated, and true, that large amounts of our issues are taken beyond the confines of Indiana, and to be used by eastern operators, and that large demands are frequently made by those residing in adjacent States.

The apprehensions heretofore entertained by some persons that the large indebtedness of other States might be used under our banking law to flood the country with paper issues, to our detriment and discredit, has not shown itself in such degree as to excite alarm or disquietude. The requirements of the law, as regards undoubted securities, and the keeping on hand a supply of coin to redeem their circulation with the understanding of the fact that all necessary additional securities may be from time to time demanded, has evidenced a prudent calculating economy on the part of those who have embarked in the business, and the result is, that the amount of bank issues in the State is quite as low as the most cautious citizen could reasonably desire, leaving us, with all our great resources, and with more than a million of

inhabitants with less than seven million of Indiana bank paper. This amount, compared with the issues of other States, is decidedly less than one quota of the shows of trade and commerce. The State Bank of Indiana, by its exhibit of the 31st of October last, shows a most healthy and responsible condition, with a positive circulation of three million eight hundred and thirty-four thousand seven hundred and sixty-five dollars. This sum, added to that in the hands of the General Banks, makes the aggregate amount of Indiana Bank paper, supposing the whole to be in circulation only six million eight hundred and fifty-nine thousand four hundred and thirty-six dollars. There will probably be a progressive addition to the active capital of some of the Banks already established, and other new ones organized; but estimating the future increase by the late applications, there is little ground for the belief that more investments will be made than will be necessary to facilitate a healthy condition of business. The charter of the State Bank expires on the 31st day of December, 1851, after which time its issues, loans, and discounts must cease to be made, and its notes be returned. No renewal of its charter, in connection with the State or with its present franchise, can be allowed under the constitution of the State, and it is but reasonable to suppose that much of the capital now employed in its stock, will be transmuted into such other bank organizations as the emergencies of the times may indicate. The business of General Banking is measurably an experiment in Indiana, although its longer existence in New York and some other States, gives it more substantial claims to safety and utility, and such States as have recently had opportunity to remodel their banking systems, have generally recognized its superiority over more antiquated systems. The great distinguishing and beneficial features of the system is the requirement of security for all bank issues, and strict responsibility for all liabilities; thus making it the interest of bankers to protect and sustain their bills of circulation. The requirements, if honestly and carefully enjoined, are certainly so much gained for the safety and benefit of the people, who, from the customs and institutions which surround them, are virtually compelled to use paper money, instead of the more substantial and desirable precious metals.

STATEMENT NO. XIX.

An Abstract showing the Name, Location, Nominal Capital, Amount of Securities deposited, and amount of Bank Notes issued, of the various Free Banks in Indiana, up to December 1, A. D., 1853.

No.	NAME OF BANK.	WHERE LOCATED.	Nominal Capital.	Amount of Securities deposited.	Amount of Notes issued.
1	Bank of Connersville.....	Connersville.....	\$1,600,000	\$394,485	\$694,455
2	State Stock Bank of Indiana.....	Peru.....	200,000	184,500	151,500
3	Government Stock Bank.....	Lafayette.....	200,000	50,000	50,000
4	McChesney's Bank.....	Lafayette.....	200,000	50,000	50,000
5	Prairie City Bank.....	Perre Haute.....	200,000	100,000	100,000
6	Southern Bank of Indiana.....	Logansport.....	200,000	125,000	125,000
7	Wabash Valley Bank.....	Logansport.....	200,000	100,000	100,000
8	State Stock Bank of Logansport.....	Logansport.....	200,000	212,000	212,000
9	Gremercy Park.....	Lafayette.....	200,000	50,000	50,000
10	Indiana Stock Bank.....	Lafayette.....	200,000	50,000	50,000
11	Plymouth Bank.....	Plymouth.....	200,000	50,000	50,000
12	Proyers' Bank.....	Rome.....	200,000	50,000	50,000
13	Public Stock Bank.....	Newport.....	200,000	100,000	100,000
14	Bank of North America.....	Newport.....	200,000	100,000	100,000
15	State Stock Security Bank.....	Newport.....	200,000	100,000	100,000
16	Traders' Bank.....	Indianapolis.....	200,000	100,000	100,000
17	Western Bank.....	Indianapolis.....	200,000	100,000	100,000
18	Canal Bank.....	Plymouth.....	200,000	100,000	100,000
19	Fayette County Bank.....	Fayetteville.....	200,000	50,000	50,000
20	New York Stock Bank.....	Connersville.....	200,000	50,000	50,000
21	Bank of India a.....	Vincennes.....	200,000	100,000	100,000
22	Elkhart County Bank.....	Mechie in City.....	200,000	50,000	50,000
23	Steeben County Bank.....	Goshen.....	200,000	110,000	110,000
24	Cr-seent City Bank.....	Argolis.....	200,000	50,000	50,000
25	Central Bank.....	Evansville.....	200,000	50,000	50,000
26	Indiana Bank.....	Madison.....	200,000	51,125	51,125
27	Bank of Albany.....	Indianapolis.....	200,000	100,000	100,000
28	State Stock Bank.....	New Albany.....	200,000	50,000	50,000
29	Bank of Covington.....	Jamstown.....	200,000	50,000	50,000
30	Bank of Covington.....	Covington.....	200,000	50,000	50,000
Total.....			\$6,850,000	\$2,790,252	\$3,953,155

STATEMENT NO XIX.—Continued.

An Abstract showing the Name, and kind of Stocks upon which the Issue is based, of the various Free Banks in Indiana, up to December 1, A. D. 1852.

No.	NAME OF BANK.	The kind of State Stocks deposited, and the amount of each.
1	Bank of Connersville.....	Indiana 5 per cents, \$62,200; Indiana 2½ per cents, \$200; Ohio 6 per cents, \$42,000.
2	State Stock Bank of Indiana.....	Indiana 2½ per cents, \$54,000; Indiana 5 per cents, \$158,300.
3	Government Stock Bank.....	Indiana 5 per cents, \$50,000 [cents deposited.
4	Merchants' Bank.....	Indiana 5 per cents, \$36,000; California 7 per cents, \$22,000—withdrawn, and Indiana 5 per
5	Prairie City Bank.....	Indiana 5 per cents, \$18,000; Indiana 2½ per cents, \$10,000; Tennessee 6 per cents, \$6,000.
6	Southern Bank of Indiana.....	Indiana 5 per cents, \$29,000; Virginia 6 per cents, \$50,000; Michigan 6 per cents, \$46,000.
7	Wabash Valley Bank.....	Indiana 5 per cents, \$40,000; Indiana 2½ per cents, \$50,000; Louisiana 6 per cents, \$62,000.
8	State Stock Bank of Logansport.....	Indiana 5 per cents, \$212,000.
9	Gramercy Bank.....	Indiana 5 per cents, \$81,500.
10	Indiana Stock Bank.....	Indiana 5 per cents, \$59,600; Michigan 6 per cents, \$26,156.
11	Plymouth Bank.....	Indiana 5 per cents, \$50,000.
12	Drovers' Bank.....	Indiana 5 per cents, \$50,000.
13	Public Stock Bank.....	Indiana 5 per cents, \$100,000.
14	Bank of North America.....	Indiana 5 per cents, \$50,000.
15	State Stock Security Bank.....	Indiana 5 per cents, \$25,000; Virginia 6 per cents, \$49,000.
16	Traders' Bank.....	Indiana 5 per cents, \$75,000; Georgia 6 per cents, \$25,000.
17	Western Bank.....	Indiana 5 per cents, \$50,000; Virginia 6 per cents, \$50,000.
18	Canal Bank.....	Indiana 5 per cents, \$50,000. [ucky 6 per cents, \$2,000.
19	Fayette County Bank.....	Indiana 5 per cents, \$3,750; Indiana 2½ per cents, \$5,000; Virginia 6 per cents, \$48,000; Ken-
20	New York Stock Bank.....	Virginia 6 per cents, \$100,000.
21	Bank of Indiana.....	Indiana 5 per cents, \$25,000; Missouri 6 per cents, \$25,000.
22	Elkhart County Bank.....	Indiana 2½ per cents, \$30,000; Virginia 6 per cents, \$77,000; Louisiana 6 per cents, \$22,000.
23	Steuben County Bank.....	Indiana 5 per cents, \$5,000; Indiana 2½ per cents, \$50,000; Missouri 6 per cents, \$20,000.
24	Crescent City Bank.....	Indiana 5 per cents, \$50,000. [7 per cents, \$10,000.
25	Indiana Bank.....	Indiana 5 per cents, \$500; Ind. 2½ per cents, \$31,300; Missouri 6 per cents, \$25,000; California
26	Central Bank.....	Virginia 6 per cents, \$100,000.
27	Bank of Albany.....	Indiana 2½ per cents, \$162,372.
28	State Stock Bank.....	Virginia 6 per cents, \$50,000.
29	Bank of Covington.....	Indiana 5 per cents, \$5,000; Virginia 6 per cents, \$50,000.

STATEMENT NO. XIX.—Continued.

Recapitulation of Stocks deposited.

Indiana 5 per cents.....	\$2,627,250
Indiana 2½ per cents.....	333,064
Virginia 6 per cents.....	574,000
Tennessee 6 per cents.....	6,000
Missouri 6 per cents.....	70,000
Georgia 6 per cents.....	55,000
Louisiana 6 per cents.....	54,000
*California 7 per cents.....	32,000
Ohio 6 per cents.....	42,000
Kentucky 6 per cents.....	2,000
Michigan 6 per cents.....	72,156
Total.....	\$3,997,470

The following Banks are partially organized, but as yet have not deposited sufficient securities, viz.:

NAME OF BANK.	NOMINAL CAPITAL.
Northern Indiana Bank, Logansport.....	\$30,000
Traders' Bank, Terre Haute.....	100,000
Brookville Bank, Brookville.....	100,000
Indiana Exchange Bank, Lexington.....	500,000
Laurel Bank, Laurel.....	150,000
Great Western Bank, Terre Haute.....	500,000
Total amount.....	\$1,400,000

\* These California Bonds are taken as collateral security, and only at two thirds their expressed value.—STATE APPROPRIATION.

STATEMENT NO. XX.

Showing a General Abstract of the Semi-Annual Reports, and Condition of the Free Banks of Indiana, for six months ending 31st December, A. D. 1853.

DR.

No.	Name of Bank and where Located.	Capital stock.	Notes Discounted.	Bills of Exchange.	Residuals.
1	Bank of Commerce, Connersville.	\$298,105 00	\$64,477 48	\$16,878 91	6,098 21
2	Central City Bank, Evansville.	50,000 00	2,846 56	53,862 18	15,483 83
3	Central City Bank, Cambridge.	50,000 00	8,306 00	123,330 15	102,835 01
4	Bank of Covington, Covington.	50,000 00	4,473 88	50,515 42	21,000 00
5	Bank of N. America, Newport.	50,000 00	43,459 00	142,377 87	7,175 18
6	Bank of Indiana, Michigan City.	50,000 00	34,081 01	43,974 75	3,744 64
7	Bank of N. America, Newport.	50,000 00	100,000 00	49,026 27	1,000 00
8	Bank of N. America, Newport.	50,000 00	44,763 92	22,950 02	4,010 60
9	Bank of N. America, Newport.	50,000 00	76,914 16	2,150 55	4,010 60
10	Bank of N. America, Newport.	50,000 00	59,787 06	89,050 06	4,010 60
11	Bank of N. America, Newport.	50,000 00	29,500 00	59,000 00	4,010 60
12	Bank of N. America, Newport.	50,000 00	4,107 61	950,709 43	4,010 60
13	Bank of N. America, Newport.	50,000 00	7,514 34	18,976 60	4,010 60
14	Bank of N. America, Newport.	50,000 00	98,605 62	59,000 00	4,010 60
15	Bank of N. America, Newport.	50,000 00	53,630 12	64,483 03	4,010 60
16	Bank of N. America, Newport.	50,000 00	6,735 30	119,150 90	4,010 60
17	Bank of N. America, Newport.	50,000 00	114 9 00	114 9 00	4,010 60
Grand Total		\$3,304,445 00	\$591,618 11	\$1,241,265 35	\$100,315 88

STATEMENT NO. XX.—Continued.

Showing a General Abstract of the Semi-Annual Reports, and Condition of the Free Banks of Indiana, for six months, ending 31st December, A. D. 1853.

DR.

No.	Name of Bank and where Located.	Notes of other Banks.	Amount of debts due to bank.	Personal Property.	Value of Real Estate for banking purposes.	Gold on Hand.
1	Bank of Commerce, Connersville.	\$32,502 00	\$56,919 59	\$307 32	10,460 00	\$52,419 00
2	Central City Bank, Evansville.	8,451 00	17,631 74	.....	1,739 73	7,892 88
3	Central City Bank, Cambridge.	17,082 00	1,906 94	.....	.....	15,669 83
4	Bank of Covington, Covington.	12,002 00	\$7,701 66	.....	5,692 90	1,000 00
5	Bank of N. America, Newport.	8,474 00	3,714 66	.....	.....	38,409 74
6	Bank of N. America, Newport.	3,661 00	48,594 75	.....	.....	7,330 00
7	Bank of N. America, Newport.	.....	48,594 75	.....	.....	6,610 00
8	Bank of N. America, Newport.	.....	6,385 18	497 05	.....	7,887 32
9	Bank of N. America, Newport.	.....	13,927 89	.....	.....	8,233 00
10	Bank of N. America, Newport.	9,146 00	12,526 97	.....	8,100 00	12,452 83
11	Bank of N. America, Newport.	36,756 00	42,551 10	.....	.....	8,100 00
12	Bank of N. America, Newport.	42,551 10	42,900 00	.....	.....	11,678 34
13	Bank of N. America, Newport.	1,121 00	.....	177 00	.....	6,460 00
14	Bank of N. America, Newport.	.....	89,597 63	1,368 77	.....	5,238 00
15	Bank of N. America, Newport.	79,950 00	51,100 00	.....	.....	6,320 00
16	Bank of N. America, Newport.	559 60	92,955 06	.....	477 48	59,000 00
17	Bank of N. America, Newport.	9,200 05	181,054 00	.....	.....	25,000 00
18	Bank of N. America, Newport.	.....	26,151 91	1,125 00	.....	27,151 00
19	Bank of N. America, Newport.	12,642 00	.....	.....	.....	6,335 63
20	Bank of N. America, Newport.	4,948 00	.....	.....	.....	10,110 00
21	Bank of N. America, Newport.	.....	48,924 09	.....	.....	16,521 34
22	Bank of N. America, Newport.	10,123 60	13,528 03	.....	370 60	19,269 83
23	Bank of N. America, Newport.	11,536 00	43,000 00	.....	.....	8,000 00
24	Bank of N. America, Newport.	.....	76,808 69	.....	.....	12,340 00
25	Bank of N. America, Newport.	.....	33,585 70	.....	.....	10,391 00
26	Bank of N. America, Newport.	1,272 60	5,433 89	1,303 00	1,650 00	13,617 83
27	Bank of N. America, Newport.	7,502 60	15,373 30	795 00	7,976 12	19,105 00
28	Bank of N. America, Newport.	17,485 60	58,909 32	.....	.....	11,376 74
29	Bank of N. America, Newport.	67,878 34	100,610 00	.....	.....	16,110 00
30	Bank of N. America, Newport.	.....	.....	.....	.....	.....
Grand Total		329,913 59	1,920,768 41	\$3,433 14	33,376 39	\$434,436 13

