

Date.	Due from Bank of U. States and offices.	Due to Bank of U. States and offices.	Due from State bank agencies.	Due to State bank agencies.	Issues of late Bank of U. States.	Notes of late Bank of U. States on hand.	Issues of Pennsylvania Bank of United States.*	Notes of Pennsylvania Bank of U. States on hand.	Gross circulation of notes of late Bank of United States.	Net circulation of notes of late Bank of United States.	Net circulation of notes of Pa. Bank of United States†
1838.											
December 1839.	\$14,538,225	\$14,083,067	\$7,739,591	\$144,138	\$21,135,136	\$17,401,037	\$17,170,659	\$9,636,860	\$3,734,109	\$1,631,124	\$3,656,495
January	15,001,012	11,974,985	8,955,689	1,108,982	19,521,296	15,858,832	17,537,762	2,397,343	3,662,464	1,506,974	4,476,347
February	16,058,710	11,600,323	7,791,558	1,029,185	19,521,296	16,004,514	16,838,417	2,151,018	3,516,782	1,360,592	4,469,883
March	16,433,546	12,989,528	8,344,513	252,776	19,521,296	16,131,576	17,456,373	2,651,543	3,309,730	1,943,530	4,930,006
April	14,300,452	12,298,335	6,875,196	130,448	19,521,296	16,173,180	17,324,879	3,437,662	3,383,416	1,237,232	5,231,520
May	14,650,752	12,149,966	6,968,901	244,560	14,064,926	10,904,932	17,051,920	3,982,173	3,160,004	1,166,604	5,260,297
June	14,153,508	19,467,752	11,189,225	418,081	14,064,926	10,934,422	17,219,880	4,820,795	3,130,504	1,137,104	4,511,353
July	13,287,000	19,288,149	11,589,957	559,752	9,023,941	6,284,720	18,179,651	5,563,139	2,739,221	830,764	5,192,151
August	13,266,727	19,651,174	9,964,279	235,062	9,023,941	6,451,965	17,622,253	6,503,551	2,571,976	753,024	5,180,278
September	13,463,545	18,310,753	10,498,763	284,965	9,023,941	6,525,210	19,702,912	6,912,986	2,498,731	679,779	4,484,978
October	12,106,370	18,118,370	7,934,567	236,071	6,576,691	5,602,325	23,696,416	9,289,432	974,366	670,136	3,648,085
November	10,790,816	17,543,819	7,733,174	301,301	6,576,691	5,929,615	21,960,961	9,014,934	647,046	567,046	4,832,383
December 1840.	9,822,621	15,261,778	5,783,875	50,251	6,623,691	6,142,198	21,081,598	8,537,717	-	486,493	6,078,634
January	8,860,782	15,076,499	6,488,630	42,049	-	-	20,206,922	6,147,951	-	-	6,695,861
February	9,031,520	15,058,815	6,462,781	56,675	-	-	20,609,474	6,530,105	-	-	6,650,751

* Including post-notes.

† Exclusive of post-notes.

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11.

STATEMENT OF THE CONDITION OF THE BANKS OF MARYLAND, MADE TO THE TREASURER OF THE WESTERN SHORE.

State of the Farmers and Planters' Bank of Baltimore, January 6, 1840.

Capital stock paid in	-	\$600,425 00	Bills and notes discounted	- \$803,264 07	
Surplus	- \$29,410 55		Stock	- 13,050 00	
Discounts received	- 828 88				
		30,239 43		816,314 07	
Dividends unclaimed	- 18,539 95		Due from banks in this city	- 55,532 26	
Due to banks in this city	- 7,989 06		Due fr'm banks out of this city	- 27,285 53	
Due to banks out of this city	- 21,337 07		Notes of other banks in this city and State	- 45,667 74	
Individual deposits	- 179,971 69		Notes of banks out of this city and State	- 26,463 00	
Notes in circulation—			Specie—gold	\$25,389 45	
9,252 of \$5,	\$46,260		silver	50,150 84	
6,943 of 10,	69,430		cents	15 00	
2,709 of 20,	54,180			75,855 29	
628 of 50,	31,400				\$1,047,117 89
186 of 100,	18,600		Expense account	-	48 32
8 of 500,	4,000		Bonus, commissioner's expenses, and plates	-	30,391 76
	223,870 00	451,707 77	(Surplus to meet it \$29,410 55.)	-	4,814 23
			Banking-house	-	
		1,082,372 20			1,082,372 20

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Statement of Franklin Bank of Baltimore, January 6, 1840.

Specie—Gold	\$27,998 37		Capital	\$514,370 00	
Silver	40,083 27		Augmented capital	113,700 00	
Change	3,974 69				\$628,070 00
Treasurer of United States, specie funds	28,140 00	\$100,196 33	Surplus	6,691 21	
			Contingent fund	1,169 38	
Bills and notes discounted	859,234 24		Dividends unclaimed		7,860 59
Inland bills of exchange discounted	45,968 28		Discounts received		6,324 15
		905,202 52	Treasurer of the United States		4,271 97
State of Maryland stocks		143,205 64	Public officers of the United States		9,994 84
Franklin Bank of Baltimore and other stocks		40,079 45	State of Maryland		19,008 04
Cumberland road stock		27,496 95	Due other banks		194,844 25
Boonsborough road stock		5,108 39	Individual deposits		216,405 44
Real estate, including banking-house		42,874 93	Circulation—15 notes of \$1,000, \$15,000		219,315 89
Exchange account		3,735 66	21 of 500, 10,500		
Expense account		8,563 57	485 of 100, 48,500		
Paid for renewal of charter from 1845 to 1857		6,665 42	620 of 50, 31,000		
Profit and loss		9,382 42	2,311 of 20, 46,220		
Due by other banks		116,812 85	7,316 of 10, 73,160		
Notes and checks of solvent banks		174,820 04	10,406 of 5, 52,030		
		1,584,144 17	Below \$5, issued prior to 1817, 1,639		
					278,049 00
					1,584,144 17

State of the Commercial and Farmers' Bank of Baltimore, Monday, January 6, 1840.

Bills and notes discounted	\$606,931 05	Capital stock paid in	\$512,456 67
State of Maryland 5 per cent. sterling bonds	41,555 55	Surplus profit reserved on hand	79,738 77
Commercial and Farmers' Bank stock, at par	56,706 67	Discounts, exchanges, interest, & ground-rents received since last dividend	11,860 76
Banking-house and other real estate	40,356 79	School tax to the credit of the Treasurer of the Western Shore	1,024 85
Cumberland and Boonsborough road stock, cost \$46,688 72, but recently valued at	8,500 00	Dividends unclaimed	4,059 01
Due from banks in this city \$73,618 95		Due to banks in this city	44,191 61
Notes and checks on hand of banks in this city	17,218 25	Due to banks elsewhere	86,592 72
	90,837 20	Notes in circulation of the following denominations, viz:	
Due from banks elsewhere	59,749 13	Of \$1,000, -	\$2,000 00
Foreign bank notes on hand	35,747 78	500, -	
	95,496 91	100, -	15,900 00
Expenses paid	232 93	50, -	9,950 00
Cash suspense	293 63	20, -	26,640 00
Coin—Gold	37,715 48	10, -	33,380 00
Silver	86,152 71	5, -	27,260 00
Copper	172 00	Small notes under \$5, issued prior to 1821	2,355 88
	124,040 19		
		Individual depositors	117,485 88
			207,540 65
	1,064,950 92		1,064,950 92

Statement of the condition of the Western Bank of Baltimore, Monday, January 6, 1840.

LIABILITIES.		ASSETS.	
Capital stock	\$589,050 00	Discounted note, viz:	
Circulation	165,315 00	City	\$603,304 96
Discount and exchange account	235 67	Domestic	136,784 45
Profit and loss account	32,238 81		
Unclaimed dividends	13,903 79	Bonus paid the State	\$740,089 41
Due to Baltimore banks	92,826 16	Expense account	22,089 37
Due to banks out of the city	21,162 22	Real estate—banking-house	253 21
Due to depositors	93,540 41	Notes of other banks and checks on do.	31,461 04
Post notes	57,470 00	Specie	100,359 01
		Specie funds	\$100,295 96
			3,532 31
		City six per cent. stock	103,828 27
		State five per cent. sterling stock	11,939 53
			55,722 22
	1,065,742 06		
			1,065,742 06

State of the Marine Bank of Baltimore, Monday, January 6, 1840.

Bills and notes discounted	\$383,763 63	Capital stock paid in	\$309,200 00
Road stock	14,132 80	Notes in circulation, viz—	
Six per cent. stock, city of Baltimore	10,000 00	Of \$100	\$17,900
Marine Bank of Baltimore stock	107 00	50	14,600
Real estate	30,000 00	20	13,770
Specie—gold	\$18,632 22	10	28,520
silver	39,569 11	5	32,520
	58,201 33		
Notes and checks on other banks incorporated in this State	25,477 48	Profit and loss	107,310 00
Notes of other banks incorporated elsewhere	7,094 00	Discount and exchange received since last dividend	5,783 72
Baltimore city and other corporation certificates	1,478 31	Due to other banks	7,295 40
Due from other banks	83,060 80	Deposites not bearing interest	13,994 85
Expense account	57 57		169,788 95
	613,372 92		
			613,372 92

I 1—Continued.

Statement of the Union Bank of Maryland, Monday, January 6, 1840.

Capital stock paid in	-	\$1,845,562 50	Bills and notes discounted	\$1,516,078 88	
Notes in circulation, viz—			Domestic bills of exchange	536,989 97	
Of \$1,000	-	\$28,000	State of Maryland loan	-	\$2,053,068 85
500	-	12,500	Baltimore and Ohio Railroad six per cent. loan	-	65,764 02
100	-	60,700	Union Bank of Maryland stock	-	435,309 32
50	-	38,000	Cumberland road stock	\$140,580	194,400 00
20	-	40,380	Boonsborough road stock	21,340	
10	-	53,480	Washington County Bank stock	20,370	
5	-	67,527	Six per cent. school stock	1,875	
Smaller, of issues prior to 1817	-	5,833	Patapsco Bank stock	960	
		306,420 00	Real estate, including banking-house	-	185,125 00
Profit and loss	-	207,558 24	Suspended debt	-	156,340 37
Sinking fund on account of road stocks	-	50,000 00	Due by banks	-	78,292 97
Interest to meet amount due on deposits bearing interest	-	1,031 52	Bonus paid the State for the extension of the charter to 1859	-	221,783 93
Discounts	-	2,578 84	Cash, viz—Gold	\$40,000 00	27,850 12
Exchange	-	4,447 03	Silver	64,289 36	
Surplus in cash	-	1,339 18	Copper	400 00	
Dividends unclaimed	-	61,904 37	Notes of banks in this State, including notes of, and checks on, city banks	104,775 50	104,689 36
State tax for 1839	-	3,691 12	Notes of banks elsewhere	74,000 00	
Due to banks	-	446,990 12			178,775 50
Due to depositors	-	383,082 22			3,701,389 44
Due to depositors, bearing interest	-	20,241 30			
Due State of Maryland, bearing interest	-	366,543 00			
		3,701,389 44			

State of the Merchants' Bank of Baltimore on the first Monday, being the 6th day of January, 1840.

Bills receivable	\$1,558,949 91	Capital stock	\$2,000,000 00
Domestic bills of exchange	641,804 07	Bank notes in circulation of the following denominations:	
Maryland sterling bonds £40,750	153,944 44	Of \$5 notes 4,352	\$21,750
Suspended debt	16,170 70	Of 10 notes 3,557	35,570
City six per cent. stock	7,930 35	Of 20 notes 2,671	53,420
Requisition on the Treasury of the State	26,190 58	Of 50 notes 604	30,200
	\$2,404,990 05	Of 100 notes 338	33,800
Banking-house	25,000 00	Of 500 notes 4	2,000
Expenses	309 78	Of 1,000 notes 2	2,000
Due by banks and agents	293,339 37	Discounts and exchange	178,750 00
Notes of banks incorporated by Maryland	2,000 00	Premium on exchanges	10,156 29
Notes of banks not incorporated by Maryland	56,524 00	Surplus profits	12,974 82
	58,524 00	F. Huth & Co., London	40,130 70
Notes and checks on the banks of Baltimore	43,935 95	Dividend No. 8, of 3 per cent., payable 9th instant	58,838 03
Silver	105,856 42	Unpaid dividends	60,000 00
Gold	99,621 48	Due to banks	4,606 00
Copper	120 00	Individual depositors	360,316 86
	205,597 90		311,324 35
	3,037,097 05		

State of the Bank of Baltimore, Monday, January 6, 1840.

Bills and notes discounted	- - -	\$1,891,900 91	Capital stock	- - -	\$1,199,350 00
Bank of Baltimore stock	- - -	1,800 00	Surplus profit retained to meet losses on discounted paper unpaid	- - -	110,298 49
Cumberland and Boonsborough road stock	- - -	88,340 00	Sinking fund to provide for the depreciation of road stock	- - -	52,000 00
Real estate	- - -	36,341 18	Discounts received since last dividend	- - -	10,076 67
Bonus to the State	- - -	16,897 52	Bank notes in circulation	- - -	280,053 00
Specie—gold and silver	\$120,020		Debts due to banks	- - -	246,760 00
Specie drafts on United States	12,000		State of Maryland, special deposite	- - -	56,250 00
		132,020 00	Individual deposites	- - -	466,192 45
Notes of banks in the city of Baltimore	106,228				
Notes of incorporated banks of this and other States	49,891				
		156,119 00			
Debts due from banks	- - -	97,562 00			
		2,420,980 61			2,420,980 61

Statement of the Mechanics' Bank of Baltimore, January, 1840.

DR.

CR.

Bills and notes discounted	- - -	\$652,235 91	Capital	- - -	\$560,634 00
Real estate, banking-house	- - -	30,200 00	Notes in circulation—		
*State of Maryland 5 per cent. sterling bonds, \$27,250, valued at	- - -	102,944 35	Thousands	\$2,000 00	
Road stocks	- - -	11,873 20	Five hundreds	2,500 00	
†Specie—gold	\$25,275 68		Hundreds	21,700 00	
silver	53,500 90		Fifties	22,950 00	
copper	200 00		Twenties	24,800 00	
		78,976 58	Tens	57,170 00	
Notes of, and checks on, banks incorporated in this State	54,769 08		Fives	94,215 00	
Notes of banks incorporated elsewhere	36,849 00		‡Small notes	1,695 00	
		91,618 08	Post notes	1,250 00	
Due from other banks	- - -	265,243 06			228,280 00
		1,233,091 18	Dividends unclaimed	- - -	3,898 69
			Deposites not bearing interest	- - -	609,796 47
			Net profits	- - -	20,784 17
			Due to other banks	- - -	100,697 85
					1,233,091 18

*The bonds were received from the Chesapeake and Ohio Canal Company in payment of a debt.

†\$16,319 30 of this coin has been deposited by individuals, subject to their order.

‡This issue was made prior to July, 1831.

||These post-notes were issued prior to March, 1827.

State of the Chesapeake Bank, Monday, January 7, 1840.

DR.

CR.

Bills and notes discounted	\$620,436 80	Capital paid in	\$428,397 00
Foreign bills discounted	40,198 08	Notes in circulation of the following denominations, viz :	
Banking-house and lot	16,000 00	Five hundreds	\$11,000
Bonus paid for charter	12,500 00	One hundreds	21,000
Expenses and exchange paid since 1st of January	517 34	Fifties	13,650
Amount of railroad bonds, State of Maryland, city corporation, and bank stock	41,315 09	Twenties	11,680
Amount due from banks	57,548 59	Tens	19,040
Specie	31,327 04	Fives	46,160
Bank notes and checks on solvent banks	52,370 25	Suspense account	122,530 00
		Profit and loss and discounts received since 1st July, 1839	650 00
		Dividends unclaimed	* 24,090 06
		Amount due to banks	1,733 40
		Amount due to individual depositors	76,697 01
			198,115 67
	852,213 21		852,213 21

* The January dividend, amounting to \$12,963 99, is yet to come from this amount.

Doc. No. 174.

DR.

State of the Farmers and Merchants' Bank of Baltimore, January 6, 1840.

CR.

Bills and notes discounted	\$500,809 28	Capital of the bank paid in	\$491,950 00
Farmers and Merchants' Bank stock	54,151 50	Discounts received, and contingent fund	8,265 58
Cumberland and Boonsborough turnpike road stock	36,520 00	Notes in circulation, viz :	
Real estate, including banking-house	21,634 00	Of \$100,	\$9,100 00
Specie on hand	34,357 40	Of 50,	7,150 00
Notes of other banks incorporated in this State, and checks	19,153 55	Of 20,	30,880 00
Notes of other banks out of the State	9,172 50	Of 10,	35,180 00
Due from other banks	13,938 26	Of 5,	23,170 00
		Under \$5, issued in 1816 and 1817	1,900 75
		Due to other banks	107,380 75
		Due to individuals	46,172 21
	689,736 49		35,967 95
			689,736 49

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I 1—Continued.

Dr.		<i>Statement of the Citizens' Bank, Monday, January 6, 1840.</i>		Cr.
Capital stock paid in	- - -	\$333,940 00	Bills and notes discounted	\$405,690 35
Due to depositors	- - -	39,238 83	Due from banks, including notes and checks	49,664 33
Due to banks	- - -	25,246 92	Bonus paid the State	9,186 12
Unpaid dividends	- - -	11,164 90	Property	1,000 00
Profit and loss, and interest account	- - -	4,563 70	Specie on hand	31,350 00
Notes in circulation, viz:			Expense account	688 55
Of \$5,	\$35,915			
Of 10,	17,900			
Of 20,	10,760			
Of 50 & 100,	18,850			
		83,425 00		
		497,579 35		497,579 35

Dr.		<i>State of the Mineral Bank of Maryland, January 1, 1840.</i>		Cr.
Loans and discounts	- - -	\$104,142 33	Capital stock	\$100,000 00
Due by banks	- - -	3,662 35	Circulation	31,415 00
Banking-house, charter, and other expenses	- - -	7,773 54	Due to banks	1,415 71
Notes and checks of other banks	- - -	4,636 03	Due to depositors	7,306 15
Specie	- - -	10,564 64	Surplus	2,690 31
Stocks	- - -	12,385 00	Suspense account	336 72
		143,163 89		143,163 89

		<i>State of the Cumberland Bank of Allegany, January 1, 1840.</i>		
Loans and discounts	- - -	\$35,026 48	Capital paid in	\$112,937 50
Stocks	- - -	85,517 50	Notes in circulation	26,565 00
Real estate	- - -	22,955 00	Deposites	18,022 23
Due from other banks	- - -	2,785 35	Due to other banks	6,344 85
Notes and checks of other banks	- - -	12,325 00	Dividends uncalled for	1,586 38
Specie	- - -	16,264 88	Surplus	9,413 25
		174,869 21		174,869 21

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State of the Hagerstown Bank, January 1, 1840.

Dr.

Cr.

Bills and notes discounted	\$438,223 58	Capital	\$250,000 00
Specie	55,430 50	Surplus and contingent fund	17,485 16
Foreign notes and checks	14,817 09	Dividend unpaid	2,950 26
Due by other banks	69,709 26	Discounts received (expenses off)	3,712 91
Road stock unpaid	7,596 20	Notes in circulation	232,483 67
Real estate	10,872 80	Due to other banks	11,323 69
		Suspense account	556 38
		Deposites	78,137 17
	596,649 43		596,649 43

Report of the Committee on the Currency.

12.

The Committee on the Banks and Currency respectfully report, that they have duly inquired into and considered an order adopted by the House of Delegates on the 9th of January. The order is as follows:

Ordered, That the committee on the currency be directed to inquire into and report to this House whether any of the banks of this State, in refusing to pay specie on demand for their notes, have or have not violated their charters; and whether the capital stock of those banks incorporated since the year 1834 have been paid in coin, or whether they were, in any instance, paid by the proceeds of the notes of stockholders discounted for that purpose, and to what amount?

Also, to inquire and report to this House the names of those who now are stockholders, as well as the names of those who have been since the 1st January, 1834; as also the names of those who now are directors of said banks, and the amount of discounts, if any, to such persons, respectively, and when made:

And that said committee be further directed to inquire into and report whether any of the said banks, in discounting, give a preference to any individuals; or whether any of them have issued post notes; and if so, when, and to what amount? Whether any of them loan their notes with an expressed or implied understanding that they are to be put in circulation by the borrower at remote and distant places out of the State? Whether any of the said banks have or do discount through the agency or instrumentality of brokers, or have stipulated with the borrower that he shall take the notes of distant banks known to be at a discount in the market, and which said banks, at the time of making such discount, refused to receive at par?

Also, whether any of the said banks have or do deal in stocks or commodities, or have at any one time bought up the depreciated paper of other banks? Also, whether any of the said banks do or have loaned to any broker or brokers specie, repayable on demand, or have sold coin at an advance? And that the said committee be further ordered to inquire into and report the monthly amount of specie, circulation, deposits, and discounts, of the said banks since the 1st January, 1834, up to the 1st January, 1840; as also the amount, description, and present market price of the stocks, and present valuation of the real estate held by the said banks; as also whether any of the said banks have received or paid out any notes under five dollars, of any banks, savings institution, canal or railroad companies, since the suspension of specie payments in October, 1839; and that said committee have power to send for persons and papers, and take testimony upon oath.

The committee were desirous to have communicated their views on the subjects embraced in the order at an earlier day. They have been prevented by the delays incident to an examination into the condition of the banks, by means of a circular addressed to them. As yet, the banks have not all answered; three remain to be heard from. The proper steps have been taken to elicit answers from them; but, as the session has advanced, the committee have determined to report. When the answers of the three banks shall be received, they will with all possible expedition be reported.

The first branch of the order directs the committee to "inquire into and report to this House whether any of the banks of this State, in refusing to

pay specie on demand for their notes, have or have not violated their charters?"

By the 17th section of the act of 1817, chapter 93, incorporating the Frederick County Bank, it is enacted, "That if the president and directors of said bank shall at any time refuse to pay specie for their notes when called on, the charter shall be, and is hereby, declared null and void; provided, in case of such forfeiture, the said bank shall be authorized to recover, and liable to pay, all debts actually due at the time of said forfeiture, as if no forfeiture had happened."

By the 11th section of the act of 1834, chapter 210, incorporating the Merchants' Bank of Baltimore, it is enacted, "That if at any time the said bank neglect or refuse to pay in gold and silver any of its notes, bills, obligations, or any money received on deposit, in violation of the contract, promise or undertaking of said bank, the person or persons entitled to demand and receive such payments shall respectively receive and recover interest on said bills, notes, obligations, and deposits, until the same shall be fully paid and satisfied, at the rate of twelve per cent. per annum, from the time of such demand; provided and so far as the assets of said bank shall be sufficient to pay, over and above the sum of its debts and common interest thereon, the said extra rate of interest."

By the 13th section of the same act, it is enacted, "That if the said bank shall at any time suspend its payments, the assets which said bank may hold, or be in anywise entitled to, at the time of such suspension of payments, shall be rateably distributed to and among all the persons who shall be its creditors at such time, and to their assigns respectively."

By the 12th section of the act of 1835, chapter 287, incorporating the Western Bank of Baltimore, it is enacted, "That the State reserves to itself the power to revoke this charter, if at any time the bank hereby incorporated fails to pay specie for any of its notes."

In the several acts incorporating the Farmers and Planters' Bank, Chesapeake Bank, Citizens' Bank, Hamilton Bank, (all located in Baltimore,) and the Mineral Bank, in Cumberland, Allegany county, the same right is reserved to the State to revoke the charters of said banks, if at any time they fail to pay specie for any of their notes.

These banks, having all failed to pay specie for their notes, by their acts of incorporation have forfeited their charters. No legal process is pointed out by the said acts by which they are to be wound up, should the Legislature determine the public interest demands it. It is perfectly competent for the Legislature to provide a process. Even if one already exists, they can alter or amend it without in any degree infringing the law of contracts. This doctrine is fully recognised by the Supreme Court of the United States in the case of Dartmouth college vs. Woodward, (4th Wheaton's Reports, page 518,) and also by the decision of the judges of Harford county court, in the case of the Tide Water Canal Company, on an application to said court to set aside an inquisition for damages to the estate of Mrs. Archer and others. This subject will again be referred to in another part of this report.

It will be observed that the act incorporating the Merchants' Bank of Baltimore in no place expressly provides that the State reserves to itself the power to revoke its charter, if at any time it refuses to pay specie for its notes. But, in effect, the same provision exists. The 11th section, in contemplation of a specie suspension by the bank, protects the note-holder and

other creditors, and allows them as a measure of damage, until they are paid, twelve instead of six per cent. interest per annum; but this on condition that the "assets of the said bank shall be sufficient to pay, over and above the sum of its debts and common interest thereon, the said extra rate of interest." It is clear that the provision anticipated a settlement of the affairs of the bank, dependent on its suspension to pay specie for its notes. The note-holder was to be entitled to twelve per centum interest until paid. But this could not be paid until it was ascertained whether the assets of the bank would be sufficient "to pay over and above the sum of its debts, and common interest thereon." The claim of twelve per centum depended on a demand made on the bank for payment in specie. Some of its creditors might make such a demand, and others not. It was proper to provide that the demand made by one creditor should not operate to the prejudice of another, who failed to make demand, so as to prevent him from receiving the legal and common interest thereon. The evil could only be prevented, and the claimant of the twelve per centum interest could be paid in no other way, than by a settlement and distribution of the assets of the bank. If any doubt can rest in the mind as to the effect of the 11th section, it must be removed by the provisions of the 13th section. It enacts "that if the said bank shall at any time suspend its payments, the assets which said bank may hold, or be in anywise entitled to, at the time of such suspension of payments, shall be rateably distributed to and amongst all the persons who shall be creditors at such time, and to their assigns, respectively."

Shall suspend payments? Payments of what? Of all demands against it, and in a legal mode, viz: in specie. In such case the assets held by the said bank shall be rateably distributed. How distributed? By winding up the bank. There is no other mode of distribution.

The committee are therefore of opinion, that, by the provisions of their several acts of incorporation, the Frederick County Bank has forfeited its charter; that the Merchants' Bank, Western Bank, Chesapeake Bank, Citizens' Bank, Hamilton Bank, and Mineral Bank, have subjected their charters to forfeiture.

The committee proceed to discuss the question, whether all the banks in this State, having failed to redeem their notes in specie, have not forfeited their charters? This question will be considered independently of the provisions of bank charters.

At the session of the Legislature, 1831, the Millington Bank was incorporated.

At the session of 1833, the Patuxco Bank of Maryland was incorporated.

At the session of 1834, the charters of the Farmers and Merchants' Bank, Marine Bank, Mechanics' Bank, Franklin Bank, Bank of Baltimore, Union Bank, and Commercial and Farmers' Bank, were all renewed; at the same session, the Merchants' Bank was chartered.

At the session of 1835, the Western Bank, Chesapeake Bank, Mineral Bank, Citizens' Bank, Farmers and Planters' Bank, and Hamilton Bank, were incorporated.

At the session of 1836, the charters of the Farmers' Bank of Maryland and branches, Frederick County Bank, Farmers and Mechanics' Bank of Frederick County, branch at Westminster, Hagerstown Bank, Washington County Bank, Cumberland Bank, Allegany, and Bank of Salisbury, were renewed.

All banks created, and the charters of which were renewed, became subject to the general laws regulating banking institutions in the State, at the time of their creation or renewal.

By the 4th section of the act of 1818, chap. 177, it is enacted, "that upon application made to any county court in this State, supported by affidavit, to be filed in the case, stating the fact that a bank located in the county refuses to pay specie for its notes, and upon the court being fully satisfied that such bank does refuse to pay specie for its notes, the said court may, and is hereby authorized and empowered to, order its clerk to issue a *scire facias*, in the name of the State of Maryland, directed to said bank, by its corporate name and style, to show cause why its charter shall not be declared forfeited by the judgment of said court."

By the 5th section of the same act, it is also enacted, "that after satisfactory proof of service of any *scire facias*, issued under this act, the court may, upon proof of the fact, or refusal by the bank to pay specie for its notes, after a full investigation of the concerns and situation of the bank, if in their judgment and opinion the public interest shall require it, declare and adjudge the charter of the bank to be forfeited."

This act is general in its operation upon all the banks of the State. In the fourth section the word "country" is used, but this is evidently a mistake, and has always been construed to mean *county*. The expression is not used for the purpose of distinguishing between the banks in the cities and country; but for the purpose of attaching jurisdiction to the court of the county in which the bank that fails to pay specie is located.

It provides, that if any bank shall refuse to pay specie for its notes, the judges of the county court, if in their judgment and opinion the *public interest* requires it, may adjudge the charter of the said bank to be forfeited. The charter is to be forfeited if the *public interest* demands it. The interest of the bank is not a question for consideration. There is, then, a judicial tribunal now existing, to which power by law is given to determine when, in its opinion, the *public interest* requires the forfeiture of a bank charter.

The Legislature has a right to amend and repeal the law as to the particular tribunal, and constitute any other with like powers. Considering for the present (for argument sake) a bank corporation as a private one, and that the Legislature has no right to pass a law in violation of its charter; still, a law regulating the remedy is not a law impairing the obligation of a contract.

In the case of the Dartmouth college against Woodward, (4th Wheaton, pages 695-6,) Judge Story says: "A general law regulating divorce from the contract of marriage, like a law regulating remedies in other cases of breaches of contracts, is not necessarily a law impairing the obligation of such a contract. It may be the only effectual mode of enforcing the obligations of the contract on both sides. A law punishing a breach of contract, by imposing a forfeiture of the rights acquired under it, or dissolving it because the mutual obligations were no longer observed, is in no correct sense a law impairing the obligation of the contract. Could a law compelling a specific performance, by giving a new remedy, be justly deemed an excess of legislative power?"

The specific performance required of the banks is to pay their notes, &c., in specie. This is the contract, which, from the very nature of the corporation, as also by virtue of the law of 1818, (which was in full force when their charters were granted and renewed,) they undertook to perform. The

act of 1818 provided a forfeiture of the rights of the banks acquired under their charters for a breach of their contract, and also a remedy to enforce the forfeiture. In the language, then, of Judge Story, it is asked, "Could a law compelling a specific performance, by giving a new remedy, be justly deemed an excess of legislative power?"

By the act of 1818, the charters of the banks are not, in consequence of having failed to pay specie for their notes, actually void. They are voidable, and may be forfeited if the public interest requires it. They are, in this view of the case, completely within the power of the Legislature, so far as it may deem proper to enlarge the remedy, or to provide a new tribunal to determine the question whether the public interest demands a forfeiture of their charters.

In another aspect of the case, they are within the control of the Legislature. The obligation imposed upon them, and which forms the consideration of their charter, is that of acting up to the end or design for which they were created. If they cease to do this, from negligence or inability, there is an end of the contract between them and the State. In such case, their charters may be forfeited.

In the case of the Dartmouth college, before referred to, Judge Washington, in speaking of corporations, and the right of the Legislature to interfere with their corporate privileges without their consent, remarks: "The rights acquired by other contracting parties are those of having perpetual succession, of suing and being sued, of purchasing lands for the benefit of themselves and their successors, and of having a common seal and making by-laws. The obligation imposed upon them, and which forms the consideration of the grant, is that of acting up to the end or design for which they were created by their founder. Mr. Justice Buller, in the case of the King vs. Passmore, says that the grant of incorporation is a compact between the Crown and a number of persons, the latter of whom undertook, in consideration of the privileges bestowed, to exert themselves for the good government of the place. If they fail to perform their part of it, there is an end of the compact. The charter of a corporation, says Mr. Justice Blackstone, may be forfeited through negligence, or abuse of its franchises; in which case, the law judges that the body politic has broken the condition upon which it was incorporated, and thereupon the corporation is void."

Again: Judge Story, in the same case, page 676, says: "But an eleemosynary, like every other corporation, is subject to the general law of the land. It may forfeit its corporate franchises by misuser or nonuser of them. It is subject to the controlling authority of its legal visitor, who, unless restrained by the terms of the charter, may amend and repeal its statutes, remove its officers, correct abuses, and generally superintend the management of the trusts. When, indeed, the visitorial power is vested in the trustees of the charity in virtue of their incorporation, there can be no motion of them from their corporate capacity; but they are not, therefore, placed beyond the reach of law."

The consideration, then, of the charters of the banks, is the end and design for which they were created, and which constitutes an obligation they are bound to perform. If they fail to perform their part of the contract, there is an end of the contract. If they are guilty of misuser or nonuser of their corporate franchises, they forfeit them. They are not placed beyond the reach of the law.

The end of the design for which the banks were created was to secure a sound and redeemable paper currency—a paper currency at all times payable on demand in specie. But this obligation they have failed to perform. Having failed to perform it, there is an end of the contract. They are not placed beyond the reach of the law. Their charters may be forfeited. The banks being in this condition, it is the duty of the Legislature to determine what the public interest requires to be done—whether to wind them up or to modify their charters, so as to provide restraints against a recurrence of the evils which have recently afflicted the currency of the State. In addition to the provisions of the act of 1818, before recited, and the antecedent principles which bring the banks within the control of the Legislature, they are placed in the same situation by the act of 1837, chapter 315. By the 4th section it is enacted, "that the banks shall resume the payment of their issues in coin, on or before the 1st day of June, eighteen hundred and thirty-nine, or within thirty days after such a course shall have been adopted by the banks of New York, Pennsylvania, and Virginia, should they resume specie payments previous to that day."

By the 6th section, it is enacted, "that no bank in this State shall, from and after the 1st day of May next, issue any bank note, certificate of deposit, or any paper intended to be used as a circulating medium, of a less denomination than five dollars."

By the 6th section it is enacted, "that the Governor may direct the Attorney General to cause a *seire facias* to be issued against any bank that may fail to comply with the provisions of this act; and, in that case, the same proceedings shall be had, in all respects, as are directed by the act of 1818, chap. 177, in regard to banks refusing to pay specie for their notes." The intention of the Legislature is manifest, from the passage of this act. They designed to fix a day to compel the banks to resume specie payments, and to continue to redeem their notes in specie. It was not contemplated that, by redeeming on the day fixed by the act, the law would be complied with, and that they could suspend at any time thereafter without incurring its penalty.

By this construction, it was only necessary for the banks to pay specie on the 1st day of January, 1839. A suspension on the next day would have brought with it no penalty under the act of 1837. The language of the act is, "shall resume payment of their issues in coin," &c.; that is to say, shall begin again to perform a duty from which they had broken off. Such a resumption or beginning necessarily implies a continuation of the duty imposed. If an individual contracts to perform a piece of work, and undertakes to begin on a given day, the law is, that what he contracted to do he will commence on the day named, and continue without unnecessary delay to perform and complete. It would not be a sufficient justification of his contract, in an action for damages for a non-compliance, to say that he began on the day named. There was a further duty; having begun, he was to continue his undertaking as long as the business demanded his attention. So in reference to the banks. They had engaged to furnish the public with a sound currency; they were required to begin the performance of that duty which they had suspended on a day certain. There was affixed no limitation within which they were to leave off or suspend. But they have suspended. Having done so, they come within the provisions of the act, and are now, at this particular time, subject to a forfeiture

of their charters, in conformity with the provisions of the 6th section of chapter 315 of session eighteen hundred and thirty-seven.

The act of 1837, chap. 315, makes also the issue of any bank note, certificate of deposit, or any paper intended to be used as a circulating medium, of a less denomination than five dollars, by any bank, a cause of forfeiture of charter. The time limited by the act from and after which no bank should issue such a prohibited circulating medium, was the 1st of May, 1838. After that day, there was no limitation of time within which the restriction was taken off the banks. There were different duties assigned for the banks; to resume specie payments, and to stop in the circulation of paper as currency below five dollars. There was good reason for the distinction. It was apprehended that the banks in other States might not resume for some time. To give the banks in this State the amplest time to recalculate, and to place them beyond the merciless execrations of suspended banks, which never fail to exact from others the last farthing, the greatest possible time was allowed; when, even if the banks of New York, Pennsylvania, and Virginia did not resume, the Maryland banks should. But, in the mean time, it was provided that, within thirty days after the banks of these States resumed, although before the 1st of January, the banks of this State should also resume. The question of a small paper issue was very different. There was no necessity to procrastinate the prohibition on the banks in this particular; it was a question wholly independent of a general resumption of specie payments. The banks might well afford a circulation below five dollars; the act, therefore, contemplated (and such is its obvious meaning) that from and after the 1st of May next thereafter, and at all times thereafter, to restrain the issue or circulation, in any manner, by the banks of this State, of paper as currency, below the denomination of five dollars. It was not a temporary act. Its title shows it was to be permanent in its provisions. It is entitled "An act for the better regulation of the banking institutions of this State."

The 3d section provides, "that no bank in this State, during the suspension of specie payments, shall extend the circulation of its notes to an amount exceeding three times the amount of gold and silver in its vaults, which may be the property of such institution; and after the resumption, they shall not exceed the amount of their capital actually paid in."

The provisions of this section embrace two periods: the first, during the suspension; the second, after the resumption. The first regulates the circulation during the suspension; and the second, the circulation after the resumption. It follows that the act is unlimited in its duration.

The 1st section enacts, "that, from and after the passage of this act, it shall be the duty of the president and directors of the several banks and savings institutions of this State, during their suspension of specie payments, to transmit a monthly statement, under oath, of their condition, to the treasurer of the Western Shore, to be by him laid before the Governor of the State."

The 2d section enacts, "that it shall be the duty of the president and directors of the several banking institutions in this State to transmit to each other, at least once in every month, a statement, under oath, containing a particular account of their responsibilities, and their available means to meet them."

The 1st section is obviously temporary in its operation. The thing which is required to be done, was during the suspension. The banks having resumed, its operation ceased.

The 2d section is as clearly unlimited. It is not confined to any particular time or contingency. There is no word of limitation to be found in it; it does not, as in the 1st section, require the act which it commands to be done, to be performed during the suspension of specie payments.

The conclusion is inevitable, that the act is a general law now actually in force, regulating the banking institutions in this State. Its provisions are, "that any bank which shall refuse to pay its issues in coin, or shall issue any bank note, certificate of deposit, or any paper intended to be used as a circulating medium, of a less denomination than five dollars, may be proceeded against by *scire facias* to have its charter forfeited."

The passage of the act may be adverted to for another purpose, other than to show that the stoppage of the banks to pay specie subjected their charters to forfeiture. It also enacted that they should not issue notes below five dollars, and provided as a penalty that their charters should be forfeited. No express provision similar to this is found in any of their acts of incorporation, or of any law regulating banking in this State. The Legislature, considering that the failure of the banks to pay specie rendered their charters liable to forfeiture, passed the act of 1837. This Legislature is placed in the same condition, and has the same authority to impose additional restraints on the banks.

The Legislature have always, since 1818, considered that the failure of the banks to redeem their notes in specie operated as a forfeiture of their charters.

The act of 1834, ch. 305, sec. 1, recognises a failure by any bank to pay specie on demand for its notes, &c., as a violation and forfeiture of charter. By the said act, it is enacted, "that whenever, hereafter, any bank shall refuse or fail, on demand, to pay its notes, issues, or obligations, and shall be in a condition to be proceeded against as authorized by the act of Assembly of December session of the year eighteen hundred and eighteen, chapter one hundred and seventy-seven, such bank, or any commissioner or commissioners appointed under said last mentioned act, or any trustee or trustees appointed under any decree of court, or deed of trust, for the benefit of the creditors of said bank, or any sheriff or other officer, shall not receive in payment or discharge of any debt due to said bank, any notes, issues, or certificates of deposit issued by said bank, or any claim against said bank, unless where the same shall have been held by the debtor at the time of refusing or failure to pay as aforesaid, and being liable to be proceeded against as aforesaid."

But a question may well arise, whether, independently of the provisions of the act of 1818, chapter seventy-seven, and of 1837, chapter three hundred and fifteen, an issue or payment by a bank of a less denomination than five dollars, is not a violation of its contract. Upon this question there cannot be a doubt. Every bank in this State has expressly stipulated by its charter that it will not issue any note below the denomination of five dollars. The object of this portion of the contract was to secure a metallic currency in the State, below five dollars. This the banks undertook to do, by agreeing that they would not issue any note below five dollars. If they have violated this part of their contract, either directly by issuing themselves, or by paying out paper intended to circulate as currency, of a denomination

below five dollars, they have been guilty of a misuser of their franchises. They have misused their franchises, first, in issuing in any form what by their charters was prohibited; and secondly, in issuing or paying out as currency a medium expressly prohibited by penal enactments of the State.

In addition to the prohibitions in their charters, by the act of 1820, ch. 150, section 1, it is enacted, "that no bank shall issue or pay out any note or bill of any bank, corporation, or company, of a less denomination than five dollars." This act was in full force when the charters of the different banks in this State were renewed or granted. The banks then contracted that they would neither issue nor pay out any note or bill of their own, or any other corporation or company, below five dollars. It is said by Judges Washington and Story, "that if a corporation fail to perform its part of the contract, there is an end of the contract. For if their charters may be forfeited, they are not placed beyond the reach of law."

The following banks have been incorporated since the year 1834, to wit: the Western Bank, Chesapeake Bank, Citizens' Bank, Farmers and Planters' Bank, Hamilton Bank, and Mineral Bank. In reply to interrogatories addressed to the said banks, the committee received the following answers. That the amount of coin required by the charter of the Western Bank (\$250,000) to be paid in, was received by that bank, and that the subsequent instalments were paid in the notes of specie-paying banks. That it has granted discounts to stockholders upon approved paper, the proceeds of which may have been applied to the payment of instalments on its stock.

That the sum of \$250,000, according to the requisitions of its charter, has been paid in on the stock of the Chesapeake Bank. That the Citizens' Bank commenced operations in September, 1838, at which time it had on deposit in the several banks of the city of Baltimore, payable on demand in coin, one hundred and eleven thousand nine hundred dollars, the amount of capital stock then paid. Since the bank has been in operation, notes have been discounted for stockholders, and in some instances for the purpose of paying instalments due on the stock. But in what particular case, or to what amount, cannot at this time be ascertained, as it keeps no account of such discounts separate and distinct from other discounts.

That the whole capital stock of the Farmers and Planters' Bank has been received in coin, which, by the requirements of the charter, should be in its possession previous to commencing banking business. That it is impracticable to state in how many instalments, or to what amount, the stockholders may have paid their instalments out of the proceeds of discounts granted to them, the receipts being generally entered as cash; and there are no means of ascertaining the description of funds received.

That of the capital stock of the Hamilton Bank, one hundred thousand dollars has been paid in coin; that it has in no instance been paid by the proceeds of notes discounted for that purpose.

That the present cashier of the Mineral Bank having only been employed in the said bank since June, 1838, is unable to say whether the capital stock of the said bank has been paid in or not. That full information on this subject was furnished by the former cashier, at the session of the Legislature of 1837, and is contained in the document U, appended to the Journal of the House of Delegates, March 15, 1838.

The committee will here state, that they have searched for the said document U. They find that it is referred to in the said Journal of the House of Delegates, on the 15th of March, 1838. They are informed that five

hundred copies were published; but that none came to the possession of the Librarian, and are all lost.

The names of those who have been, since the 1st January, 1834, as also the names of those who are now stockholders, as well as the names of those who have been since 1st January, 1834, and also the names of those who are now directors of the said Western, Chesapeake, Citizens', Farmers and Planters', Hamilton, and Marine Banks, will be found in exhibit A, herewith submitted.

The committee are not informed by the Western, Chesapeake, Farmers and Planters', Citizens', and Mineral Banks, of the amount of discounts furnished to their directors; nor are they furnished with the names of any directors who have received discounts. But the committee are informed that the directors of the Western Bank, in the business interpretation of the term "accommodation paper," have none; but, in common with the regular customers of the bank, have had discounts upon business paper, and which seldom exceeds \$15,000. A majority of the board (which is eighteen) have no discounts.

That the directors of the Chesapeake Bank have had discounts, and, when they offered undoubted security, a preference would be given to them in time of great scarcity, as they would not be able to obtain discounts from other banks. The directors have invested funds in the stocks of the bank, which stock is now to their credit, on the books, to a much larger amount than they have at any time borrowed from it.

That to the directors of the Citizens' Bank accommodations have not been granted, directly or indirectly, except in one or two instances for an inconsiderable amount, and under peculiar circumstances. That the said bank has granted discounts to the directors in the same way that it does to its other customers.

That as the Farmers and Planters' Bank is required to state the amount of each discount to each director, and the time when granted, extending throughout the space of more than three years, and the bank discounting twice a week, it is manifestly impracticable to furnish the statement without very great delay. That the whole amount of existing discounts to the sixteen directors, on the 15th January, 1840, was \$261,153.

That the amount of discounts received by the directors of the Mineral Bank since January 7, 1838, to January 7, 1840, amounts to the sum of \$27,085 08.

That the Hamilton Bank, not having gone into operation, has had no business transaction.

The committee are further informed by the Western Bank, that it gives a preference in discounts to its customers in general, and those in particular who keep the most valuable accounts.

That the loans of the Chesapeake Bank are made generally with reference to the security and the advantage to the bank, from the account of the applicant. That the said bank has always been disposed to accommodate farmers and professional men, when the security offered was such as could be relied on for punctuality.

That the considerations with the Citizens' Bank, in discounting, are the goodness of the note offered, and the value of the account to the bank; always, however, giving preference to small notes.

That the Farmers and Planters' Bank, in discounting, gives usually no preference to individuals.

That the Mineral Bank gives no preference in discounting to persons, only in proportion to their supposed capacity to pay.

That the Bank of Baltimore, in granting discounts, gives a preference to its customers over others, and is governed in its estimate of the relative value of security offered.

That the Mechanics' Bank does not give a preference to any individual, further than it is deemed most advantageous to the bank, and obligations due to the community. That it is probable that, during times of pressure, the claims of directors would receive some consideration from the said bank, as the fact of their being directors would exclude them from facilities in other banks, and it is equally true that at such periods directors are restricted.

That the Merchants' Bank always gives a preference in discounting to its customers over all other persons, and in proportion to the value of their respective accounts; and in discounting for others, it prefers those in whose ability to pay, and more particularly those in whose punctuality, the greatest confidence is entertained.

That the Union Bank does not, in discounting, give a preference to any individual, further than the nature and state of their accounts seem to authorize.

That the Farmers and Merchants' Bank does, in discounting, give a preference to individuals.

That the Marine Bank, in discounting, gives no preference but to those considered as having the best claims as customers.

That the Palapoco Bank, in discounting, acts and decides on paper offered by the inhabitants of the village and neighborhood first; and that when the paper offered is equally good, it prefers discounting for those whose business has been, or is likely to be, most advantageous to the bank or to the community.

That the Farmers' Bank of Maryland, at Annapolis, has no usage by which any individual or individuals are preferred; and that the only questions discussed by the board are, is the bank in a situation to discount? and whether the particular transaction will be a safe negotiation for the bank? That its branch at Frederick gives no personal preference to any individual or individuals, but gives a preference to those whose solvency is indispensible, and whose habits are most prompt in their bank engagements.

That the Bank of Westminster, Cumberland Bank, and Frederick County Bank, in discounting, give no preference to individuals.

That the Hagerstown Bank makes no distinction between applicants, other than what is considered good and bad paper, and selecting the best business paper, when all cannot be discounted which may be offered.

That the Bank of Salisbury, when its condition will not justify the gratification of all, gives a preference to directors, in exclusion of others, because, as officers, they perform the duties gratuitously, and the bank thinks when their paper is as good as others it ought to be taken.

That the Farmers and Mechanics' Bank of Frederick county, in discounting, gives no preference to any individual, other than what is most productive of the interests of the bank and the public good. As, for instance, it gives a preference to the drafts on millers at 30, 60, or 90 days, on their consignees at Baltimore, over negotiable notes payable at the counter; as, by this operation, the notes of the bank are distributed through the country in the purchase of the produce of the farmers, and the drafts at maturity

furnish a fund at Baltimore for the redemption of the paper of said bank in that city.

That the Washington County Bank, in discounting, gives no preference to individuals. The solvency and punctuality of the applicants are the only considerations of granting loans.

The committee, in order to effect as much brevity as possible in their report, and, at the same time, place the House in possession of the remaining information called for by the order, have thought it most expedient to give the general usage of the banks in their business transactions. By doing so, without delaying to state whether each and every bank, particularly, has issued post-notes, &c., it will be ascertained in what case any bank has pursued the usages mentioned in the order.

The Bank of Baltimore issued post-notes previous to the year 1800, (none since,) of which there are now outstanding \$1,775. But, in the language of the bank, "it has an issue which is properly post-notes, but they are payable at two days' date, have matured, and are used in the ordinary circulation, and are reported to the treasurer as a part of the circulation of the bank." It has received and paid out notes under the denomination of five dollars of the Frederick County Bank, the Patapsco Bank, and the Westminster Bank. Its stock is $\frac{3}{4}$ per cent. below par. Its real estate is worth \$36,341 18.

The Mechanics' Bank, (in the language of the bank,) prior to March, 1827, did issue notes which were entered in the books of the bank as post-notes. These notes were, however, payable on demand, and none on a future day. The said bank has, in several instances, received, as collateral security, the notes of other banks at a depreciation, the said notes to be redeemed by the parties leaving them. In one instance, to close a transaction, the said bank took, at a discount, a lot of Virginia bank-notes, which had been left as a collateral security, which the bank afterwards sold to a broker. It has, in several instances, let individuals as well as brokers have coin in small amounts for bank-notes, returnable as soon as it could be procured; and, previous to the suspension, *it let a broker, late in the day, have coin in considerable amount to remit by the cars to New York, which was returned the next day.* In neither of the cases did the bank derive any profit whatever. It has frequently sold at a premium merchantable coin, viz: Spanish, French, Mexican, German, &c. The value of its stock is, at present, about \$14; its real estate \$20,000. It has received and paid out notes of a less denomination than five dollars.

The Merchants' Bank has made discounts, with the understanding that the notes of the bank were to be put in circulation at distant points. Such understanding has been principally with the Chesapeake and Ohio Canal Company. It has occasionally sold Spanish and American dollars, doubloons, &c., at the market rates, but none since the suspension in October, 1839. The present market price of its stock is \$92. Its real estate is worth \$25,000. It has received and paid out notes of a less denomination than five dollars since the suspension.

The Union Bank issued a small amount of post-notes in 1832—none since. These are now in circulation. It has in some cases made loans, with an understanding that its notes were to be carried to other States. It has not bought up the paper of any of the banks of the State at a depreciated rate. It has in some instances sold foreign coin at an advance. Its stock is at present worth \$58 or \$60 per share; its real estate \$154,340 37. It has re-

ceived and paid out notes of a smaller denomination than five dollars, since the suspension in 1839.

The Farmers and Merchants' Bank has discounted paper with the understanding that it was to be put in circulation in purchase of merchandise out of the State. It has not sold any of its specie since the late suspension; it has sold specie at other times. Its stock is worth \$33; its real estate \$21,634. It has received and paid out notes below five dollars since the suspension, in 1839.

The Commercial and Farmers' Bank has sold coin at an advance. Its stock is divided into full paid and three-fifths paid shares.

The market price is full paid \$34 for \$33 33 paid.

3-fifths paid \$21 for \$20 00 paid.

Its real estate is worth \$40,356 79. It has paid out notes of a less denomination than five dollars.

The Citizens' Bank has discounted, with an understanding that its notes were to be put in circulation at distant places. It has received at a small discount notes of banks located in other States. It has in small amounts sold foreign coin at an advance, and has exchanged foreign for American coin, and received a premium. Its stock is worth from \$7 to \$7 20 per share; it holds no real estate. It has received and paid out notes of a denomination below five dollars, since the said suspension.

The Farmers and Planters' Bank have, in one transaction, purchased shares of the Bank of the United States at the south, (where a large sum had been received for instalments,) and which were immediately sold at the north, in order to obtain the funds from the banks of other States at a discount, generally with a view to send them to the banks which issued them, and to obtain checks on other points where funds were wanted. It loaned coin in one instance to a broker, and, as the bank states, "under circumstances which made it improper to refuse;" it was returned in three days, and no charge was made. It has sold specie, since the suspension, to the amount of a few hundred dollars in uncurrent coin. Its stock is worth \$20 50 per share. It has received and paid out notes less than five dollars since the said suspension.

The Chesapeake Bank has purchased, at a discount, the depreciated paper of the Virginia and Pennsylvania banks. It holds State, city corporation, and bank stocks, and Ohio railroad six per cent. bonds. It has loaned to brokers and merchants a small amount of coin, receiving bank notes as security, to be returned on demand; from the committee the bank has received no profit. Of the value of its stock the committee are not informed. Its real estate is worth \$20,000. This bank has failed to answer whether it has received or paid out notes under five dollars.

The Western Bank has issued post-notes to the amount of \$1,657,718 91 since June, 1837; it has now out \$57,470. It has loaned its notes with an understanding that they were to be put in circulation at a distant point out of the State. By an arrangement with the other banks of this city, it undertook to receive and send home for exchange the notes of the banks of Virginia, at which period a clerk from the bank was stationed at Richmond to negotiate exchanges, and, while there, the bank has received at its counter the paper of Virginia banks, at a discount equivalent to the expense of transportation, &c. The agency being closed, the bank does not now receive country bank-notes at a discount. Its stock is worth \$19 50. Its real es-

late is worth \$31,461 04. It has received and paid out notes below five dollars since the last suspension.

The Palapso Bank has often made loans to persons, who declared their intention to use the money in places at some distance from the village. Of this description have been the loans to contractors upon the public works, purchasers of wheat, cattle, &c., &c. It has taken some small sums of the paper of other banks at a discount, and sold it again at a discount. "There being no exchange officer or broker in the village, persons who had payments to make, having uncurrent notes, have sometimes requested the bank, as an accommodation, to deduct the current rate of discount; and having done so, the bank has afterward disposed of the paper. Some trifling sums of such paper have been disposed of at par. But it has also happened that notes of distant banks taken at par by the bank, have been disposed of at discount. It has subsequently declined the purchase of notes of distant banks, though solicited to take them at a discount." Its stock is worth \$22; its real estate \$13,000. It has received and paid out notes below five dollars since said suspension. It has reissued its former certificates of 25 cents, 50 cents, and \$1 and \$2. It is satisfied, in doing so, of its legal right.

The present market price of the stock of the Farmers' Bank of Maryland is \$46; its real estate \$12,061 52. It has received, but has not paid out, any note under five dollars, since the said suspension of specie payment.

The market price of the stock of the branch at Frederick is \$46; its real estate \$20,724 12. It has received and paid out notes below five dollars since said suspension.

The Westminster Bank, when it was not generally discounting, has granted discounts to persons going west. It has sold coin at an advance, receiving therefor notes of the Baltimore banks. Its stock, at the latest sale, sold for \$19 50; its real estate is worth \$10,872 80.

The market price of the stock of the Bank of Salisbury is \$25. Its real estate worth \$2,417 20. It has received and paid out notes below five dollars since the said suspension.

The Farmers and Merchants' Bank of Frederick has discounted paper for persons going west. The last sale of its stock brought 20 per cent. premium, dividend off. Its real estate is worth \$4,500. It has received and paid out notes below five dollars since the said suspension.

The Mineral Bank has loaned notes, with an understanding that they were to be put into circulation at distant points. It has given coin at a premium in exchange for notes of distant banks. It has received and paid out notes below five dollars since the said suspension. The value of its stock is unknown. It has no real estate.

The real estate of the Cumberland Bank is \$32,950. The value of its stock unknown. It has received and paid out, since the said suspension, notes below five dollars.

The Washington County Bank has granted discounts to persons going west. The stock is at par. Its real estate worth \$950. It has received and paid out notes below five dollars since the said suspension.

The stock of the Frederick County Bank is worth from \$18 50 to \$19 50. Its real estate \$5,000. It has issued notes of its own as low as \$1, ever since it went into operation. Since the late suspension it has received notes below five dollars.

The monthly amount of specie, circulation, deposits, and discounts of said banks is herewith furnished, marked exhibit A A.

The committee having been instructed to report the facts embraced in the order, respectfully submit them to the consideration of this House. They afford ample field to show that the banks have violated the trust confided to them; but the deductions are left to the Legislature. All of which is respectfully submitted.

WM. A. SPENCER, *Chairman*.
JOHN C. LEGRAND,
DANIEL S. BISER.