

Synopsis of returns of banks of Connecticut from March, 1841, to May, 1846, inclusive.

	Number of banks, 31—branches, 3.	March, 1841.	Number of banks, 31—branches, 3.	March, 1842.	Number of banks, 31—branches, 3.	March, 1843.	Number of banks, 31—branches, 3.	March, 1844.	Number of banks, 32—branches, 2.	March, 1845.	Number of banks, 32.	May, 1846.
Capital		\$8,626,382	\$8,876,317	\$8,580,393	\$8,292,238	\$8,292,238	\$8,292,238	\$8,292,238	\$8,359,748	\$8,409,544		
Loans and discounts		10,944,675	10,683,413	9,798,392	10,842,955	9,798,392	10,842,955	10,842,955	12,315,387	13,031,865		
Stocks		565,025	718,860	837,974	656,466	837,974	656,466	656,466	381,859	250,124		
Real estate		330,911	368,949	402,419	448,150	402,419	448,150	448,150	403,603	366,556		
Other investments		160,149	443,548	292,428	441,975	292,428	441,975	441,975	389,932	268		
Due by other banks		1,192,403	635,693	948,380	1,360,905	948,380	1,360,905	1,360,905	1,041,717	1,416,893		
Notes of other banks		111,258	206,728	179,274	257,561	179,274	257,561	257,561	264,405	276,758		
Specie		454,298	471,298	438,752	455,430	438,752	455,430	455,430	454,408	481,832		
Circulation		2,784,721	2,555,638	2,379,947	3,490,963	2,379,947	3,490,963	3,490,963	4,102,444	4,565,466		
Deposites		1,182,583	1,062,725	1,061,944	1,847,447	1,061,944	1,847,447	1,847,447	1,969,801	1,893,273		
Due to other banks		364,819	337,656	216,601	347,930	216,601	347,930	347,930	317,392	362,128		
Other liabilities		96,275	89,569	70,414		70,414						

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487 MAY, 1846

NEW YORK.

REPORT OF THE BANK COMMISSIONERS IN 1842.

To the Legislature of the State of New York :

The bank commissioners, pursuant to law, respectfully submit the following annual report :

Although the past year has been distinguished beyond all former example, by the failure of a large number of our banking institutions, yet during this period the general business of the country has been prosperous. The banks of the State, for the most part, have been well managed; and it is believed that they are now, with few exceptions, so far at least as it respects their chartered institutions, in as sound and healthy condition as at any time since their respective establishment.

The causes which have conducted to the solvency of the several banks under the safety-fund law had their origin in times long anterior to the present year; and it is now well understood that these causes have been coeval with the original organization of some of the institutions in question.

The law required not only that all the capital should be actually paid in before the bank could commence its operations, but it also prohibited the discounting of any paper in payment of stock, or with intent of providing the means of making such payment, or for the purpose of enabling the stockholder to withdraw any part of the money paid in by him on his stock.

A fair compliance with these provisions on the part of all the stockholders would have prevented the establishment of any banking corporation, unless the capital stock had been fully paid in the first instance, and to remain as a *bona fide* and permanent investment in the business of banking.

There is, however, great reason to believe that some of the safety-fund banks which have failed during the last year commenced their operations by a fraudulent evasion of the restriction in regard to the withdrawal of any part of the capital; and that such capital, although nominally paid, was, in part at least, borrowed on short loans for this particular purpose, and repaid by discounts from the new bank.

Such discounts, whenever made, would of necessity produce a diminution of the capital to the amount thus abstracted; thereby immediately lessening the ability of the institution to sustain itself in those movements which, by the amount of its nominal capital, it might be authorized to make, and placing it at the very commencement of its existence in a false and embarrassed position.

In cases where the capital of a bank has been thus materially impaired by the substitution of stock notes, either on its first organization, or at any subsequent period, it will be found to have been usually effected by a combination of individuals in doubtful or embarrassed circumstances, desirous of borrowing instead of lending capital, and who sought by this artifice the control and direction of the bank, to subserve their own pri-

vate purposes, in disregard of all other interests, and at the particular expense of the *bona fide* stockholders.

It has been lately represented to us, and we have no reason to doubt, that in one of the cases referred to, after the bank had been organized by the payment of the capital in good faith, and before it had accumulated any profits from its business, a concerted attempt was formed to obtain the direction by purchasing a majority of the stock. This attempt was resisted by those in charge of the bank, and a competition ensued between the respective parties, which resulted in the payment of premiums to the holders of the necessary outstanding shares, varying from twenty-five to two hundred per cent. When at last, by reason of some legal question in reference to the ownership of some of the stock, it became doubtful whether a sufficient amount had been purchased to change the direction, a compromise took place by which the members of the old board agreed to withdraw from the management; and, as a consideration, the new faction stipulated on their part to purchase the shares of the retiring party, and pay also the extraordinary premiums they had advanced in the course of competition for the supremacy.

When the new directors took charge, they discovered that after the compromise; and on the eve of the withdrawal of their predecessors, large sums had been borrowed by some of those going out, on long loans, and, as the result has since shown, on very inadequate security.

But this is not all. The sums paid the rival parties for the stock, with the ruinous advances in the shape of premiums, immediately found their way by various disguises on the books of the bank, under the form of loans and discounts, where they have probably been continued, by change of form and parties, and all manner of ingenious devices, from that time to the present, without the intention or ability to discharge them on the part of the debtors.

In another of the instances referred to, it is also represented that on the original distribution of the stock in the year 1836, a very large amount was awarded to individuals possessing no capital of their own, and who were constantly pressed for means to sustain their ordinary engagements. These persons were enabled, by temporary loans in other quarters, to pay in the requisite sum on their shares until the bank was placed in legal operation; when the debts thus contracted were not only thrown upon it, but, by means of the influence derived from possession of this stock, they were enabled by the like fraudulent use of its funds to purchase an amount sufficient to keep the bank in their own power.

When a bank has fallen into such hands, it must be quite apparent that stock loans are not the only hazard to which it is exposed; its remaining means, not previously abstracted by the process just stated, and its credit founded upon the supposed possession of all its nominal capital, are too frequently employed in the reckless and improvident speculations of its chief managers, until, by a succession of adverse results, and a resort to all manner of disreputable evasions and illegal devices to prolong its existence, it sinks at length into public and hopeless insolvency.

The confiding to the president or cashier, as the case might be, the unrestricted control over the affairs of the bank, has, in our judgment, largely contributed to the downfall of all the safety-fund institutions which have failed during the past year.

In these cases the directors, by absenting themselves from the regular

meetings of the board, or by otherwise neglecting the highly responsible trusts confided to them by the stockholders, virtually surrendered into the hands of a single agent the whole power of the bank, to be exercised by him without restraint or supervision; and by almost necessary consequence the result has been that the officer in charge has, during some period in the history of the bank, either made an improper appropriation of its funds to his own private purposes, or to the benefit of some of his special favorites, and in every instance large losses have been uniformly sustained.

These imputations are not intended to apply to the officers in charge of all the banks in question at the time of their failure. It is well known, in reference to some of them, that the stockholders, on the discovery of their previous mismanagement, immediately placed them under the direction of honorable and efficient men; but, as the result has shown, at too late a period to prevent their insolvency.

We are well aware that many of the banks are chiefly managed by their presidents or cashiers, without reference to a board of directors; and that in perhaps most of these instances they are conducted with scrupulous prudence and fidelity.

But we still ought not to disregard the instruction which experience is so frequently and impressively communicating, that the uncontrolled possession of such a power is dangerous alike to the integrity of the officer and to the safety of the funds committed to his keeping.

Although such officer may, for a time, execute the duties in the most proper manner, and with the strictest regard to the interests of the stockholders, there is still reason to fear that if left to himself, without the salutary supervision of a board of directors, he will sooner or later yield to temptation, either by using the means in his hands for purposes of private gain, or to promote some other object of a personal and illegitimate character.

It has been suggested that some good may be done in the way of repressing the cupidity of bank officers, by prohibiting, under severe penal restrictions, all such officers from participating, directly or indirectly, in the loans and discounts of the bank to which they severally belong.

Whatever may be the propriety of such a provision with regard to the mere financial officers and clerks, it is very questionable whether directors should be embraced in a prohibition of this kind.

The directors of our banks, it is well known, are usually composed of men engaged in active business in the vicinity of the bank, and who are, for the most part, selected by reason of their knowledge of the circumstances and condition of those who are its ordinary dealers: it would seem, therefore, unjust that they should be precluded from a fair participation with their neighbors in the discounts of the bank, particularly as they receive no compensation for their official services.

Besides, it is to be feared that the effect of such a prohibition would be to place many of our banking institutions in hands less capable of managing them with proper skill and prudence than at present.

The directors in the safety-fund banks are precluded by law from receiving discounts to an amount exceeding one-third of the capital, in which is included all their liabilities for third persons, as sureties or endorsers; and although it may well be doubted whether this limitation is not already too favorable in regard to the amount of indebtedness which

they may now contract, yet the returns annexed will show that the aggregate of these liabilities seldom reaches the legal limit; and we have no reason to believe that this restriction has been often violated or evaded, even in the course of those banks which have recently failed.

But the propriety of any provision of law by which the financial officers and clerks in banks may be restrained from using the funds in any manner for their own benefit, cannot be doubted.

These men are placed in immediate charge of the property of the bank, and are paid for their services. The funds are committed to their custody, to be employed with impartial reference to the interests of the proprietors and the accommodation of the public. The power over, and the disposition of large sums of money belonging to others, is at all times a position of peculiar danger and temptation to those who occupy it. It is due to them, as well as to those who may be affected by their good or ill conduct, that all legal as well as moral restraints should be imposed which may tend to counteract the strong inclination constantly existing in these cases to gratify private cupidity and advance selfish interests.

If it is possible to prevent it, these officers should not be permitted, for their own sake, to hold a position where their sense of duty becomes obscured or weakened by the legalized temptation which now virtually permits them to borrow the funds of the bank from themselves.

We are well aware that, notwithstanding some advantages may possibly be gained by the enactment of penal restrictions in these cases, yet, after all, the prohibition suggested is subject to one fatal defect, as a safe reliance against evil; which is, that it may be circumvented and evaded by the ingenuity and artifice of those who submit to the temptation, and that in this manner indirect loans may be substituted in place of those which appear openly upon the books, with the additional hazard that always attends connivance and subterfuge over the safety and publicity that pertain to regular transactions.

The only effectual safeguard, at last, is in the vigilance and care of the board of directors. They can, without doubt, do more to prevent this and all other evils which now form the subject of complaint, than can be done by legislation.

But still it is worthy of consideration, although the law may sometimes be violated and the hazard of penalty incurred by using the funds of the bank, whether the greater part of those to be embraced within its provisions will not feel the danger of subjecting themselves to the punishment prescribed, and thus be restrained by the force of a positive enactment, when they might, perhaps, disregard the considerations arising from the power of moral obligation alone.

Whenever the exclusive administration of a bank falls into the hands of the president or cashier, by the remissness of the directors, or from any other cause, the power thus acquired is frequently perpetuated by the procuring of a sufficient number of the proxies of stockholders usually residing at a distance to control the election of directors.

In this manner the officer in charge becomes able to elect such persons as will conform to his peculiar views and wishes in reference to the bank, or who, by their inattention and neglect, will leave him to conduct its affairs as he may choose, without restraint or advice.

The directors themselves, in such cases, become wholly dependant on the president or cashier, as the case may be, for the places they hold, to

the utter prostration of their usefulness and independence as a check to his sinister mismanagement; and the object of providing a board of directors is rendered worse than nugatory by deceiving the unsuspecting stockholders, and presenting the false assurance that the rights and interests of all parties are confided to a body of men who will exercise their powers with honesty and faithfulness.

Whether it is possible to obviate, or even lessen this evil, by legislation, is very doubtful.

If the officers are prohibited from voting on the proxies of stockholders, the evasion is easily made by procuring the proxy to be given to some third person, who will use it for the advantage and by the dictation of the chief manager; and if, as has been suggested, all voting by proxy be forbidden, the control of the banks will often be thrown into the hands of the stockholders residing in the immediate vicinity, and who sometimes own but a small portion of the shares.

The expense, on the part of those living at a considerable distance, in attending the annual election in person, would not unfrequently be greater than the amount of the annual dividend received on their stock.

The experience of the last year has strongly indicated the necessity of other modifications of existing laws, in particular reference to the safety-fund banks; and although our country has been accused of over-legislation on this subject, the charge, if true at all, should be confined to those laws which seek to remedy merely speculative, instead of practical and acknowledged evils.

To remedy the latter is at all times the province of safe legislation; and as some of these ends have been fully developed and illustrated in the case of the bank failures which have occurred during the past year, it becomes our duty to present them to the consideration of the legislature.

The commissioners are now sufficiently empowered to make application to the chancellor, and arrest by injunction the operations of any bank for a violation of law—such as an over-issue of its circulating notes, an excess of directors' liabilities, a purchase by the bank of its own stock, except out of its surplus profits, and the various prohibitions and restrictions contained in the different statutes.

But if the bank violates no positive law, these officers may discover cause for apprehension that the institution is verging towards insolvency, without the power to avert it. It is true, they are authorized to interfere after insolvency has been consummated; and by a subsequent section it is also provided that an application may be made to arrest the business of a bank where half of its capital stock shall have been lost.

But it will be seen that the latter provision does not, in any great degree, enlarge the powers of the commissioners, as regulated by the provision in regard to the case of insolvency, when we reflect upon the difficulty of ascertaining that a bank has lost half of its capital.

The commissioners must of necessity, for the most part, be strangers to the debtors of the bank, and to the pecuniary condition of such debtors; and they must rely for the judgment which they may form of them: principally on the representation of the officers, and which representation will rarely justify a commissioner in deeming half the capital actually lost, for the purpose of instituting proceedings for that cause.

The officers of the bank under whose management the debt was contracted will be sufficiently influenced by hope to regard and represent

almost any debt safe, till its utter worthlessness is demonstrated by the last process of law, and the bank hopelessly ruined.

It will accordingly be found that the first proof which the commissioners are able to obtain that a bank has lost half of its capital, is derived from the suspensions of the bank by its own inability to proceed any farther, by reason of the loss of not merely half the capital, but sometimes of all; and even much more, so as in some cases greatly to involve the safety fund.

The great difficulty is, that, as the law stands, it becomes almost impossible to obtain such a knowledge of the true condition of the bank from its officers, or such evidence of either its insolvency, or the loss of half its capital, as will authorize an application to chancery to arrest its operations, until it is compelled to make a virtual admission of its own hopeless condition by suspension.

If, in the judgment of the commissioners, it is important that an injunction be issued immediately against the bank, it will not be granted *ex parte*, in any case, upon the mere averment of material facts, as derived from the information and belief of the complainants; but such facts must be stated to be within the actual knowledge of the party, or they must be distinctly proved by some other person who can swear positively to their truth.

Although the positive enactments by which banks are at present regulated may be applied and enforced without difficulty, yet it is certain that a mere compliance with these provisions will not at all times save such institutions from insolvency; and that while they may be hastening to destruction by a course of gross mismanagement, which does not happen to be prohibited by statute, no power exists on the part of the commissioners to stop their downward progress, or to restrain the abuse, before it has accomplished its fatal end in the entire loss of the capital.

The improper practices and acts by which our banks are brought into embarrassments are so diversified in their character, and so incapable of description, that it is exceedingly difficult to reach the evil by special laws.

In extending the authority of the commissioners, in cases of this kind, in such a manner as to enable them at all times to take cognizance of such acts as may be adverse to the interests of the stockholders or safety of the public, we are aware that many objections will present themselves, arising from the possible perversion of such powers.

But still, experience, we think, will justify the remark that men are more prone to laxity of vigilance in the exercise of ungracious duties, (when no personal benefits are to result from the performance,) than to an undue severity in the discharge of those duties.

The legislature, in their wisdom, will undoubtedly be able to provide some mode for the remedy of the defects existing in present laws, and we respectfully submit this particular subject as one deserving of great consideration.

The legislation on banks seems to have wholly overlooked the interest of stockholders; and confined its provisions to the security of bank creditors. The propriety of this may well be questioned, when we reflect that the banks are managed not by stockholders personally, but by agents, over whom the proprietors can exercise practically but little control, scattered as they usually are about the country, unknown to each other, and

possessing but little means of accurate information as to the conduct of their agents.

By dividing the capital of banks into small shares from \$25 to \$50 each, in many cases the legislature seemed to provide for the distribution of the stock into many hands, and such has practically been the operation to a large extent; but it will be found that this class of stockholders, conscious of the little influence they possess in the selection of directors, rarely vote, unless their proxy is solicited, and even this indirect influence is not generally vouchsafed to very small stockholders.

It may be doubted whether legislation, in neglecting (as it has in the safety-fund act) all care for the stockholders, has performed its whole duty.

The security of the public and of bank creditors generally is intimately connected with the interest of the stockholders, although the acts and managements which bring insolvency on banks may proceed from the misconduct of bank officers; yet such acts are always more adverse to the stockholders than to the public, inasmuch as the public are protected by the safety fund, while the stockholders are not only unprotected, but too often unprotected, being confounded with the worthless and usually criminal agents who had contrived to take possession of the bank.

In the month of September last, an injunction was issued by the court of chancery, on our application, against the Commercial Bank of New York. The bill was filed on the ground that the bank had violated the statute by applying its funds in the purchase of its own stock, except out of its surplus profits; and also that it had received a large amount of such stock in payment of debts due to the bank. It further charged, upon information and belief, the loss of one-half its capital.

This bank was examined by one of the commissioners about the 20th May last, at which time he directed a sum out of the loan and discounts to be charged to profit and loss, exceeding \$70,000, which exhausted the nominal surplus profits, and produced a diminution of the capital stock of the sum of \$40,000.

In the month of September following, the bank was again visited by two of the commissioners, when it was discovered, that, since the last examination, it had purchased its own stock from an individual who, a short time before, had been its president, to the amount of \$140,000, at 20 per cent. under its par value; and that, on such purchase, it had assumed to pay to third persons the sum of about \$57,000, for which the greater part of this stock had been hypothecated: the remainder, amounting to about \$55,000, was applied to the payment of a debt due the bank from the late president.

It also appeared that, during the same period, valuable securities had been withdrawn, and others substituted of a very doubtful character, which have since proved to be entirely worthless.

During the investigation, but subsequent to the service of the injunction, the cashier admitted an abstraction from the funds of the bank to the amount of \$56,000. He stated that, while teller of the bank, he made use of its money to the amount of about \$9,000. This he concealed by memoranda and items in his drawer, which he counted as money. That, when appointed cashier in 1837, he commenced the putting in circulation the bills of the bank for his own benefit, without placing them on the register of notes; and that he was enabled to do this without the fear of detection, as the president of the bank, who had previously affixed his

signature to the notes, kept no account of such signing. This fraudulent practice had been continued for more than four years, until it reached the sum named.

As soon as these facts came to our knowledge, we took immediate measures to place the bank in the charge of a special agent, whom we employed for that purpose until the final order for a receiver.

In making this disclosure, the cashier expressed his ability and willingness to fully repay the sum which had been thus criminally abstracted; and, immediately after the transfer of such securities as he furnished, complaint was entered against him by a committee of the directors of the bank and the commissioners, for embezzlement, and also for perjury in swearing to the statement of the condition of the bank, and a warrant was issued for his apprehension. It is understood that he has thus far eluded arrest, notwithstanding he was publicly in the city on the day the complaint was made.

The principal transactions which eventuated in the ruin of this institution had their origin in 1836 and 1837. The officers, together with many of its directors, entered into extravagant speculations, and, as has been usual in such cases, when the result was unfortunate, the whole loss fell upon the bank. The circulation to be redeemed out of the safety fund is about \$120,000. It is believed that, on the final liquidation of its affairs, this fund will be nearly or quite reimbursed.

In the month of July last, the two safety-fund banks at Buffalo were examined with great care by three of the commissioners, who occupied a week in the discharge of that duty. They found at that time the circulation of both banks within the legal limits.

In investigating the affairs of these institutions, they discovered a large amount of assets, consisting of real estate, bonds and mortgages, and personal securities, which were unavailable for banking purposes, but a great portion of which was represented by the officers to be worth the valuation appearing on the books, and which would ultimately be convertible without serious loss.

Although, from the general character of the assets, we had strong apprehensions that the losses would be much larger than was anticipated, yet, from the multifarious and diversified nature of the resources of the bank, and the complication in which they were involved, it was impossible to decide with any certainty in regard to their value, or to determine with reasonable accuracy what portion of the capital was lost.

In one of these banks, we found an indebtedness against a single firm, of which the late president, now deceased, had been a member, amounting to one-half of the capital stock, all of which, together with a large individual debt against that officer, had accumulated before 1840. The joint debt had been secured in 1839 by a mortgage on property in another State, and which was represented to be abundantly sufficient to protect the bank; but, from inquiries since made, we are satisfied that, if ever adequate for such purpose, the general depreciation which has since occurred in real estate has rendered the security of comparatively small value, and that great loss will be sustained on this debt.

Each of these banks owned large amounts of real estate, principally in the city of Buffalo, much of it consisting of improved and productive property, but which could not, particularly in the present state of the country, be converted at the prices at which it stood upon their books.

During the past season, an attempt was made on the part of some of the stockholders of the Bank of Buffalo, in which the commissioners co-operated, to induce a sale of its stock, at its fair value, by those who might be unable to make the necessary cash advances, with the view, if possible, of placing it in such hands as would do so, thereby restoring the capital, and waiting for a more favorable period in which to dispose of the valuable real estate of the bank; but these efforts proved abortive, in consequence of the uncertain value of the stock, and the indisposition from this cause either to sell or purchase.

About the 22d of October last, it was discovered that an over-issue of the circulating notes of the Bank of Buffalo had taken place a short time before in the amount of about \$13,000. For this cause, immediate steps were taken to place the bank under injunction, and, on the 2d day of November following, such injunction was duly served.

On further inquiry into the actual state of the circulation, we ascertained that, within a few days before the service of the injunction, many of the depositors had withdrawn their funds, and that these deposits had been paid in the bills of the bank, in utter disregard of the law, and to a large amount; and that other over-issues had been made during the preceding month.

The excess of outstanding notes of this bank beyond the legal limit is about \$90,000; of this sum, \$25,000 is claimed as belonging to the bank, and as not being in circulation.

On the 4th day of November last, two of the commissioners made an examination into the affairs of the Commercial Bank of Buffalo. By a weekly statement of its condition of the preceding day, it appeared that the circulation was then within the limits. On further inquiry, an amount beyond this limit, to the sum of about \$180,000, was to be found out of the bank. The cashier, in explanation, stated that these notes were in possession of its agents and correspondents in New York and Albany; that the same had been redeemed, and remained subject to its unconditional order and control, to be sent home whenever required, and when a convenient opportunity might occur.

The letters of advice from the agents, stating the amounts and dates of the respective sealings, and the books of the banks containing the corresponding credits, to show the redemption of these notes, were also exhibited. The cashier also declared on oath the correctness of these representations and entries, according to his best knowledge and belief; but also added that the president of the bank was then in the city of Albany or New York, and might have made some disposition of these notes, of which the cashier was not apprized.

Upon receiving this information, the commissioners proceeded without delay to the city of Albany, where, upon inquiry at the several banks where these notes were said to be deposited, they learned that a large amount had been delivered to the president after redemption, and within a few days then past, who had put them in circulation, and that by this act the issues would very largely exceed the legal limitation.

The bank was then immediately placed under injunction.

The notes of the bank out of its actual possession, and beyond the legal circulation, amount to about the sum of \$190,000, out of which the officers of the bank claim that about \$60,000 is still the property of the bank, and that the holders have no interest in its notes.

Both of these banks are now in the hands of receivers. It is impossible to form any opinion with regard to the manner in which the liquidation of their affairs will result. This must depend upon so many contingent circumstances, that an approach to accuracy in any estimate which we could make is not to be expected.

We are informed that since the service of the injunction a detailed and careful examination has been made of the assets of the Commercial Bank of Buffalo by three intelligent and disinterested men of that city, and that by their report the available resources are very nearly if not quite sufficient to pay its debts, except its capital stock. But this estimate is understood to be made upon the assumption that the bank may be resuscitated and not placed in liquidation.

In December last the Commercial Bank of Oswego was placed under injunction, on our application. This bank was chartered in 1836, with a capital of \$250,000.

It is understood that about the period of its organization a large portion of its stock was controlled by irresponsible persons, and that its funds were, to a large extent, applied to the payment of the shares, and otherwise appropriated to the private speculations of its managers.

When we entered upon our duties, in the spring of 1840, its affairs were examined by one of the present commissioners, and it was found to be in a very embarrassed condition. The books showed, among other things, the indebtedness of a single individual to more than one-half the capital, and that the remaining half was in the hands of four or five other persons, and also large sums due from various individuals of long standing, and inadequately secured.

Immediate measures were taken by the new officers in the administration of the bank to restore its credit and usefulness, as far as possible, by securing the doubtful debts and calling in the loans not based on business transactions.

In many of these cases no alternative was left except to take in payment real estate at high prices, and sometimes encumbered by prior liens, and also such other property and securities as the debtors had in their power to transfer.

An attempt was afterwards made by the present board of directors, in which the commissioners assisted, to obtain from the stockholders a contribution of fifty per cent. on the shares, with a view to prevent sacrifice in the sale of the real estate, and to enable it to continue its business.

This effort, after much time spent, did not succeed, except in a partial degree, by reason of the inability of many of the stockholders to make the payments, and from various other causes.

The bank was finally compelled to yield to the difficulties of the times, and the panic attending the failure of the other institutions which immediately preceded it, and was accordingly restrained by injunction.

For the last two years it has been prudently managed, and we have no hesitation in expressing our conviction, that at the time of its suspension it was in a better condition in reference to the soundness and security of its resources, except so far as the value of its real estate had depreciated, than for several years previous.

Its affairs are placed in charge of a receiver. The outstanding circulation is about \$190,000.

In the month of December last the Clinton County Bank, at Plattsburg,

failed to redeem its circulating notes at its agency in the city of Albany, in pursuance of the provisions of the act of May 4, 1840. This bank has, however, continued to pay its notes on presentation at its counter, and, within a few days past, has resumed its redemption through the agent in that city, under circumstances which lead us to hope it will hereafter continue to do so with promptitude.

By reference to the various laws regulating the safety-fund banks, it will be found that there is no penalty whatever imposed on the officers for an over-issue of the bills.

The act of May 26, 1841, provides that these banks shall not hypothecate or pledge their notes beyond an amount which, added to those in actual circulation, shall exceed the sum which may be lawfully issued.

All bank bills which are not in the possession of the bank, or of its agent or correspondent, for its own exclusive use and benefit, and subject to its unconditional order or disposal, shall be deemed to be in circulation, and shall be included in its accounts, and otherwise as bills in circulation.

An intentional violation of these provisions is declared a misdemeanor, punishable by fine and imprisonment.

But if the notes are put into actual circulation, and not pledged or hypothecated, and if they are included in the accounts of the bank as bills issued, this statute is not violated; nor does any other provision make it penal as against its officers, although the commissioners are authorized to apply to the court of chancery and suspend the operations of a bank for such a cause.

This would seem to be an omission in the present laws requiring immediate correction. Such excess of circulation should be visited, upon the officers who cause it, with severe and exemplary punishment. It is not only in fraud of the other banks contributing to the fund, but it materially assists in producing that derangement and irregularity in the state of our domestic currency which uniformly follows excessive issues, whether made by authority or in violation of law.

There is no power connected with banks the exercise of which requires in so great a degree watchfulness and restraint as that which arises from the issue of their circulating notes. Indeed, daily experience fully shows that, with all the guards which the most cautious legislation has been able to place around this branch of the banking power, there is a tendency to increase the circulation not only beyond the legitimate demands of business, but also beyond the ability of the bank itself to sustain and protect such issues.

In connexion with this subject it may be proper to add, that the authority which now exists on the part of the safety-fund banks to hypothecate their bills under any circumstances should, in our opinion, be abrogated without delay.

By this practice those institutions which have become embarrassed by improvidence and bad management, and which, if standing upon their own credit alone, would be unable to extend their already ruinous liabilities, are now enabled, upon the security of the fund, not only to sustain an unsound circulation, but to virtually compel those banks which are managed with prudence and success to become their sureties. It does not materially alter the case, because the pledge of the notes must not extend beyond the legal circulation. The maximum amount of issues now authorized by law can very seldom be required even by the country banks

in the most prosperous state of trade; and if at all, but during a short period of the year, when the products of the country are abundant, of high price, and going rapidly forward to market.

In providing a limitation beyond which the circulation should not be carried, the legislature had undoubted reference to an amount within which the contractions and expansions of the currency, as regulated by the fair requirements of trade, might be permitted to take place with safety to the public; but it could not have been intended that such issues should be forced up to this maximum amount, and sustained upon the credit of the fund in disregard of the ability of the bank itself to redeem them at all times on presentation.

We believe that the present law requiring an annual statement of the affairs of the bank on the first day of January should be amended.

It is a matter of common observation, that for several weeks prior to the day in which this statement is to be made, a system of forced preparation takes place in the contraction of the loans and discounts, and in such other temporary expedients as may tend to present each institution to the public in the most favorable position, and, if possible, to be exhibited as a creditor bank.

The consequence is, that after a very severe and unnatural pressure has been created from this cause alone, and serious derangement has taken place in the multiplied business relations of the community, the statement itself exhibits, in some degree at least, a fictitious condition of the bank, as compared with its more ordinary movements.

To obviate the evils arising from the present law, it is suggested that the bank commissioners should be required, on or about the first day of December in each year, and not before, to notify the various banks to transmit in the usual manner the condition of their affairs on a particular day *then past*, and that in each succeeding year a different day from the one before designated should be named. As in this manner no one could possibly anticipate what day would be selected, no particular preparation could be made; and thus the usual and not the extraordinary state of the bank would be set forth, and the contraction and pressure consequent upon the present mode avoided.

In the month of March last, the following twenty banking associations, under the general law, failed to redeem their circulating notes in Albany or New York, as required by the statute of May 4, 1840:

Bank of Western New York;  
State Bank of New York, at Buffalo;  
Bank of America, at Buffalo;  
Erie County Bank;  
Bank of Lodi;  
Bank of Commerce, Buffalo;  
Bank of Olean;  
Phoenix Bank of Buffalo;  
St. Lawrence Bank;  
James's Bank;  
Exchange Bank of Genesee;  
Union Bank of Buffalo;  
Binghamton Bank;  
Mechanics' Bank of Buffalo;  
United States Bank, at Buffalo;

Merchants' Exchange Bank of Buffalo;  
Cattaraugus County Bank;  
Farmers and Mechanics' Bank of Genesee;  
Staten Island Bank;  
Farmers' Bank of Orleans.

Out of this number, thirteen were placed under injunction, and the associations subsequently dissolved by the court of chancery, and an order made for the appointment of a receiver in each case. In seven of the cases receivers have been appointed, who have given the necessary bonds and taken upon themselves the execution of the trusts. In the remaining six associations, we have been unable to find any one who would accept the place.

In most of the banks above referred to, assets have not been found sufficient to pay the expense of the proceedings in putting them into liquidation.

Of the banks which at that time neglected to pay their notes at their agency, the following seven resumed their redemption within a short time thereafter, viz:

Exchange Bank of Genesee;  
Farmers and Mechanics' Bank of Genesee;  
St. Lawrence Bank;  
James's Bank;  
Bank of Olean;  
Staten Island Bank;  
Farmers' Bank of Orleans.

Of this number, all except the two first named again failed to make their redemptions during the present fall and winter, together with the Allegheny Bank, at Angelica; and measures have accordingly been taken to restrain their further operations.

Since our last annual report the North American Trust and Banking Company, at New York, has been also placed in the care of a receiver.

The number of free banks now remaining in operation is forty-six. An order for a receiver has been made in the case of the Clinton Bank, at New York, but such receiver has not yet been appointed.

It will be found, on reference to the general banking law, and the subsequent amendatory acts, that no authority now exists on the part of the commissioners to proceed against and dissolve these associations on the ground of insolvency.

The only case in which the power is given to restrain them by injunction is, where they may have violated a positive law, such as the issuing notes and bills not registered or countersigned by the comptroller, or not payable on demand, and without interest; or neglecting to make their annual reports, or to redeem their circulating notes at their agencies in Albany or New York.

It is, therefore, submitted to the legislature whether the present law should not at least be amended in such a manner as to include within the cognizance of the bank commissioners all those associations which may have become insolvent.

The difficulties among the free banks, which caused the failure of so large a number during the last spring, arose from a general diminution of confidence which took place about that time in the market value of many

of the State securities, deposited with the comptroller, as the basis of the circulation.

The alarm created from this cause may have hastened, although it did not produce the insolvency of the banks in question.

In these particular cases such a result was inevitable sooner or later, and without regard to the depreciation of the State stocks above referred to. These stocks had not only been purchased at very high prices originally, but on credit, and without any means or resources, in many cases, for the payment of the debt thus created. The associations had been put into operation by borrowers, instead of lenders of money, and the circulating notes had been employed to relieve the old embarrassments of the proprietors, instead of being used either in the discount of business paper, or even in the payment of the debt contracted in the purchase of the securities.

Banking institutions established on such a basis could not of course succeed; and as their failure did not surprise any one acquainted with the mode in which they had been organized, neither has it impaired the confidence of the friends of the free banking system in the usefulness and practicability of the system itself. The great defect in the original law, as matters have since eventuated, was, doubtless, in permitting the stocks of other States to be deposited with the comptroller; and although it may be true, that by the extraordinary depreciation of these stocks, the credit of the various institutions which have purchased them for banking purposes has been injuriously affected, and great losses have been incurred both to the public and stockholders, yet we see no reason, for these causes, to change the opinion, expressed in our last annual report, that banking institutions under the general law, as now amended, in those localities where the fair demands of business require their establishment, owning the securities deposited, and free from debt on account of their purchase, having an adequate proportion of cash capital, and employed in the discount of business paper payable at short date, may yield fair profits, and do all the public good which any other bank could properly render under like circumstances.

The conviction expressed in our last report in regard to the priority of excluding all bank liabilities, except circulation, from becoming a charge on the safety-fund, has been increased by the observation of the last year, and we again respectfully recommend this subject to the consideration of the legislature.

The reasons for this change in the present law have been before presented in detail, and we are not aware that we can state anything in addition which would tend further to the elucidation of the views already expressed.

By the annual report of the comptroller, it appears that the whole capital of the bank fund on the 1st of January, 1841, was \$914,342 24.

That, up to the 1st of January, 1842, the treasury had advanced for the redemption of the circulating notes of insolvent banks, under the provisions of the act of 1837, the sum of \$549,885 25, leaving the balance of the capital of \$364,456 99.

The contributions from solvent banks on the 1st day of the present month, which were then, or have probably since been paid, amount to \$183,432 30, thus making the whole remaining capital at this time \$547,889 29.

By the construction given to the act of 1837 by the comptroller, and

which we believe to be correct, that the legislature by that act did not intend that the original capital of the fund should be reduced, by the redemption of the circulating notes in anticipation, at any time below one-third of the amount of such capital, it would appear that the whole sum which could be now properly applied to the redemption of the bills of the safety-fund banks which have lately failed would be \$243,108 54.

The estimated amount of this circulation is \$950,000.

The present capital of all the safety-fund banks now remaining is \$30,701,460. An annual contribution of one-half per cent. on this sum would produce \$153,507 30.

If, therefore, the bill-holders must depend upon the present annual contribution alone for the redemption of the notes, and *one-third of the original fund is to remain on hand*, it would require four or five years before the outstanding circulation of these banks would be fully paid. Although, before this time has elapsed, it may reasonably be expected that a large portion of the advances will be reimbursed to the fund on the final settlement of the affairs of several of the insolvent banks, yet, under the most favorable circumstances, a considerable amount of circulating notes must, in the present state of things, remain for a long period without redemption.

It is equally important to the stability of the safety-fund system and to the holders of these notes, that some mode, if possible, be devised for their prompt payment. Indeed, if it is intended to preserve and continue this system, which has heretofore deservedly commanded the confidence of the public in so high a degree, it would seem to be indispensable, either by legislative action, if such can be taken without doing injustice to the banks, or by some conventional arrangement, that the fund should be placed in a condition to satisfy with promptitude the present demands upon it.

By a resolution of the honorable the assembly of this State, passed in April, 1838, the attorney general was directed to file an information, in the nature of a *quo warranto*, against the Phœnix Bank, of New York, and prosecute the same to final judgment. This resolution was adopted upon the report of a committee to whom had been referred a memorial of the board of trade of that city, preferring charges of usury against the bank. It is understood that the suit has been instituted, in conformity to the resolution, and that the cause is to be tried at the next circuit court in New York.

From the report of the committee it will appear that the usurious acts, if any, charged against the bank, were done by its late president, Mr. Delafield, who, as we are informed, retired from the charge of the institution immediately after the investigation.

At the last session of the legislature, the capital of this bank was reduced from \$1,500,000 to \$1,200,000, in consequence of losses sustained some years previous.

During the period in which it has been under our visitation it has been conducted with great prudence, and with strict regard to its proper powers and duties.

We also understand that the board of trade have stated their confidence in the correct and honorable management of the bank under its present officers, and express their wish that the proceedings might be discontinued.

It is perhaps worthy of consideration, whether, under these circumstances, public justice requires that the innocent stockholders, who have already lost one-fifth of their invested capital, should be subjected to the further injury resulting from the destruction of the charter itself; and, also, whether it is necessary that \$1,200,000 of sound capital, now contributing \$6,000 per year to the safety fund, shall be thus suddenly withdrawn in the present impoverished condition of that fund, and at this period of commercial embarrassment.

During the year ending on the first of the present month, the loans and discounts of all the chartered banks now remaining, and being ninety in number, as compared with the same banks in the preceding annual report, have diminished \$3,113,819.

The circulation of the same banks has also declined within this period \$1,938,012.

The whole circulation of the ninety banks will appear to be \$12,372,764; and if to this sum is added the estimated circulation of the insolvent banks still outstanding, at \$950,000, the aggregate amount of present issues will be \$13,322,764.

Last year the circulation of the same banks, including those which have failed, was \$15,235,056, showing a decrease of \$1,912,292.

The table below will exhibit a comparative view of the resources and liabilities of the chartered banks for the last two years, excluding the Wayne County Bank, Commercial Bank of New York, Bank of Buffalo, Commercial Bank of Buffalo, and Commercial Bank of Oswego.

## RESOURCES.

	January 1, 1841.	January 1, 1842.
Loans and discounts	\$52,725,070	\$49,611,251
Real estate	3,055,187	3,383,497
Stocks	4,583,117	3,682,387
Bank fund	823,120	790,442
Specie	5,305,437	4,785,524
Notes of other banks	4,839,232	4,897,893
Cash items	2,127,846	1,607,280
Due from banks	9,852,764	7,449,393
	83,311,768	76,207,667

## LIABILITIES.

	January 1, 1841.	January 1, 1842.
Circulation	\$14,310,776	\$12,372,764
Loans	100,000	107,523
Due canal fund	2,270,443	1,609,174
Deposites	16,508,991	14,620,865
Dividends	218,419	268,513
Due other banks	10,116,834	8,537,777
	43,525,513	37,516,616
Add capital and profits	39,786,255	38,691,051
Total	83,311,768	76,207,667

The bank fund, in the returns of 1842, has been omitted as part of the resources in many cases, having been charged to profit and loss.

It is impossible to state the loans and discounts and circulation of the free banks, as they stood on the 1st of January, 1841, as, from the returns made at that time to the comptroller, such information is not accurately given.

By the annual report of that officer in January, 1841, it is stated that on the 1st of December, 1840, the amount of circulating notes issued to the various associations was \$5,353,567.

It also appears, by the comptroller's report of the present year, that the aggregate amount of these on the 1st of December, 1841, was \$3,923,126, showing that within the past year the sum of \$1,430,441 has been withdrawn, and upon the assumption that all the notes were in circulation; showing a diminution in the circulation of all the banks of the State during the year to the sum of \$3,342,733.

The following statement exhibits the aggregate resources and liabilities of forty-three banking associations from which returns have been received, and also the aggregate of all the banks of the State, including these associations.

## RESOURCES.

	43 free banks.	Total.
Loans and discounts	\$7,465,650	\$57,076,900
Real estate	2,406,560	5,790,057
Stocks	4,500,242	8,182,629
Bank fund		790,442
Specie	686,170	5,471,694
Notes of other banks	911,645	5,809,538
Cash items	27,192	1,634,472
Due from other banks	1,512,427	8,961,819
Total	17,509,886	93,717,551

## LIABILITIES.

	43 free banks.	Total.
Circulation	\$2,187,229	\$14,559,993
Loans	29,509	137,032
Due canal fund	22,524	1,631,698
Deposites	2,854,480	17,475,345
Dividends	18,160	286,673
Due other banks	1,164,280	9,702,055
	6,276,182	43,792,796
Add capital and profits	11,233,704	49,924,755
Total	17,509,886	93,717,551

No returns have been received from the following associations: Bank of the United States, Bank of Attica, Manufacturers' Bank at Ulster, Hamilton Bank, New York State Stock Security Bank, Staten Island Bank, Allegany County Bank, St. Lawrence Bank, Janies's Bank, Bank of Olean, Washington Bank, and Farmers' Bank of Orleans.

The aggregate amount of circulation of these banks is \$472,645.

It is understood that the Bank of the United States and the Bank of Attica are closing up their affairs, having in all a circulation of \$15,467; and the seven banks last named are in a state of suspension.

No return has been received from the Manhattan Company of New York; but with the view to present the aggregate condition of all the chartered banks of the State, we have taken their report of last year.

Respectfully submitted.

J. G. FORBES,  
T. CARY,  
C. STARR,  
W. H. AVERILL,  
*Bank Commissioners.*

ALBANY, January 26, 1842.

[Details omitted.]

## REPORT OF THE BANK COMMISSIONERS IN 1843.

ALBANY, January 30, 1843.

SIR: We transmit herewith our annual report; and are, very respectfully, your obedient servants,

J. G. FORBES,  
C. STARR,  
T. CARY,  
W. H. AVERILL,  
*Bank Commissioners.*

To the Hon. GEORGE R. DAVIS,  
*Speaker of the Assembly.*

*To the Legislature of the State of New York:*

The bank commissioners, pursuant to law, respectfully submit the following annual report:

The annexed tabular statements of the condition of the various banks of the State exhibit a greater contraction of the loans and circulation at the commencement of the present year, than has probably existed at any former period.

Since the summer and fall of 1839, a diminished movement has been taking place in the operations of our banks, which, from its general and progressive character, fully indicates the influence of causes acting with great power upon the business of the country, and contracting the use of money for commercial purposes within the smallest possible compass.

On the first of January, 1840, and after the second suspension of the banks south and west of New York, which occurred during the succeeding fall, the returns exhibited a diminution of loans and discounts, on the part of the ninety chartered banks of the State, to the amount of \$15,512,000, and a reduction of the circulation of \$8,743,365, as compared with the reports of the same institutions on the first of January, 1839.

Although a slight increase took place during the year 1840, yet the process of contraction has been steadily going forward to the present period, in conformity to the general depression of business, and the prostration of almost every branch of industrial enterprise.

The great depreciation in the prices of the staple agricultural products has materially contributed to keep down the discounts and circulation.

The capital now required for their purchase is small in amount as compared with those periods when money was abundant, and the business of the banks generally extended.

Many of our banking institutions are seriously laboring under the consequences of the unwise expansion of former years; and it will require the utmost prudence, as well as good fortune, on their part, before they can regain their original position.

A large amount of discounted debt, suspended for several years, and wholly unavailable for banking purposes, still remains; and it is to be feared that the continued diminution in the value of property will eventually render many of the securities worthless, which have been heretofore considered sound, and abundantly sufficient to protect the banks against ultimate loss.

It is, however, gratifying to discover, by reference to the statements, that the present reduced action of many of the banks at least does not arise from any want of ability to extend their loans, or sustain an increased circulation, if required to do so by the fair demands of business.

It must be evident to all that a material extension in their operations at this time, by the discount of accommodation paper, or any other not of a strict commercial character, could not fail to do ultimate injury to their stockholders and the public.

Indeed, so far at least as many of the country banks are concerned, no single cause has heretofore contributed in so great a degree to their embarrassments, and the sacrifices which in times of pressure they are

compelled to incur, as loans upon paper not founded on actual business transactions.

Such paper, however well secured, can seldom be depended on in meeting redemptions, and those other engagements which, on the part of every well managed bank, must be fulfilled with the utmost promptitude.

In some cases which have come under our observation, the discounted debt has been found to be sound and free from all objection in regard to its entire security; but, at the same time, so unavailable in its convertibility into cash, as to render it valueless for all practical or useful purposes in sustaining the credit of the bank.

When this state of things exists, it will be found that serious sacrifices often become necessary before the bank can meet its liabilities; and that the time of its officers, which should be devoted to its immediate supervision at home, is often occupied in making expensive journeys to Albany or New York, and in devising and consummating extraordinary and ruinous modes of raising money, and in all cases subjecting the stockholders to the loss accruing from the transaction.

Again, we conceive that loans upon accommodation paper cause at all times great injury to the public at large, by creating those excessive issues in bank circulation which have heretofore taken place, and may be regarded as one of the causes of the present depression of business throughout the country.

It may be assumed as an undeniable axiom in the business of banking, that such issues are always excessive; and that in precise proportion to their amount they derange the just relations of currency and trade, produce sudden and unnatural expansion in prices, and disorganize the various business interests of society.

The present reduced movement on the part of those banks having abundant means on hand may therefore be regarded as evidence of their prudent administration, by a proper conformity to the state of things existing around them, and as exhibiting a determination to forego the requisition of present profits for the sake of their own ultimate safety.

The condition of the banks in the city of New York, the great centre of the commercial and moneyed transactions of the State and Union, will appear by their statements to be uncommonly strong in the possession of an extraordinary amount of specie and other funds, whilst their liabilities, exclusive of capital stock and deposits, are but nominal.

The state of these institutions presents gratifying evidence, that when the time shall arrive in which extensive moneyed facilities may be required in conducting the operations of a renovated and prosperous commerce, no want of means will exist in that quarter at least in giving such operations the necessary impulse and efficiency.

The domestic exchanges within the limits of the State have, during the past year, not only been uniform, but also at rates so low, and so easily effected at all times, as to indicate a healthy although depressed action in the moneyed affairs of the banks.

The law of the 4th of March, 1840, requiring the country banks to keep agents in New York and Albany for the redemption of their circulating notes, has worked with admirable effect in preserving uniformity in the rates of discount, and in preventing those impositions which were before too frequently practised upon the public.

It is well known that, prior to this period, it was not unusual to discredit the notes of sound institutions, for the sole purpose of purchasing them in market: in this manner the inequality in the rates of discount between the notes of the various country banks became dependant upon causes entirely fictitious, and having no reference to the actual state of the institutions by which they were issued.

This law has also effectually checked the establishment of associations, under the general banking law, at places so remote and difficult of access as to render the transmission of the notes for redemption vexatious and expensive.

An injunction from chancery was granted on our application against the Lafayette Bank, in the city of New York, in February last, upon the ground that more than one-half of the capital stock had been lost.

Its affairs were immediately placed in the hands of a receiver; and since that time he has redeemed the whole outstanding circulation, and paid its other debts; and from the assets remaining, it is represented he will probably be able to return to its stockholders about one-fourth part of their capital.

This bank became embarrassed by large loans to its directors and others, for purposes of speculation, and by the Wall street stock-jobbing operations of one or more of its officers prior to 1839.

In the month of March last the operations of the Watervliet Bank were also suspended by injunction, and it is in the progress of liquidation under the charge of a receiver.

This bank was chartered and organized in 1836, with a capital stock of \$250,000, and placed under the management of a cashier, who continued until about the first of September, 1841.

A few days before the last mentioned period, developments were made of transactions seriously involving the integrity of that officer, and which resulted in the sudden abandonment of his post, and subsequent flight or concealment.

On further investigation a series of gross frauds were brought to light, which had been carried on for several years, and ingeniously concealed by false entries made in the books by the cashier or under his direction.

These entries, and the affairs of the bank as contained in the weekly statements, were verified by the oaths of the cashier and the clerks three times in each year, and also in the annual reports, as full and true statements of its condition.

Two of the commissioners visited the bank in the early part of September, 1841, and devoted five or six days in making a minute investigation, with the view of ascertaining how far its capital stock had been impaired.

This examination, after the most careful analysis of its remaining assets, and after making considerable deductions from their value as estimated by the president and five of the directors, who assisted in the inquiry, resulted in the conclusion, that although a considerable portion of its capital had been lost, yet that more than one-half still remained, and that consequently it could not be placed in liquidation for this reason.

The bank continued its business under the care of a new and experienced cashier until about the 3d of March last, when, upon a renewed examination, it became evident that by the further depreciation in the

value of its securities it could proceed no further, and an injunction was immediately issued.

The misfortunes of this institution had their origin in the same great cause which has brought about the failure of so many of the safety fund banks within the last two years, and to which particular allusion was made in the last annual report.

A short time after its organization, the whole management of its affairs was assumed by the cashier. The directors permitted him to control its funds and credit without inquiry or supervision, and by almost necessary consequence he appropriated them to those mercenary and selfish purposes which had been prompted and fostered by the temptations thus placed in his way.

Under such circumstances, the honest and successful administration of a banking institution would form a striking and remarkable exception to a general rule; the usual, if not uniform tendency of such an abandonment of duty on the part of directors is to the ruin of the stockholders, and the disgrace of the individual to whom is confided the unrestricted control over large sums of money belonging to other people.

The official supervision of commissioners cannot, in our judgment, effectually prevent evils of the character stated in this case, under any authority conferred upon them by existing laws.

It now becomes very difficult and often impossible, by the exercise of the utmost vigilance, to compel a suspension of the business of such banks as may be improvidently and recklessly managed until they have fallen into hopeless insolvency.

In our report of last year, allusion was made to this subject at length, and the consideration of the legislature directed to the nature of the difficulties which prevent a prompt and timely interference on the part of the commissioners in arresting the proceedings of banks.

The importance which we attach to an amendment of the law in this respect will perhaps justify a brief repetition of the views heretofore presented, and which subsequent observation and reflection have materially confirmed.

The commissioners are now authorized to apply to the court of chancery for an injunction restraining the ordinary business of a safety-fund bank, in any case where such bank may have violated a positive law.

The charter of each banking corporation, and the general statute by which they are all regulated, impose certain prohibitions and restrictions, such as that the liabilities of the directors shall not exceed one-third of the capital stock; that the bank shall not issue its circulating notes beyond a specified amount; that it shall not purchase its own stock except out of its surplus profits; that it shall submit its books and papers to the examination of the commissioners; that it shall make annual statements of its condition; and various other provisions of the like kind.

When, therefore, any violation of these laws takes place, the duty of the commissioners is as obvious as that they should at all times be held to a strict accountability in its prompt performance.

But so long as a bank does not violate any law, it is usually placed beyond the reach of the commissioners, in regard even to a temporary suspension of its business, until its actual condition can be investigated by the court of chancery.

Its administration may exhibit the most dangerous improvidence, its

discounted debt may be distributed in such large sums to particular individuals, or so inadequately secured, as to render its collection extremely doubtful, the officers of the bank may be found to be the principal borrowers, and everything conspire to cause a well-grounded belief that its managers are seriously hazarding or impairing its capital.

Yet all this gives the commissioners no authority to interfere and obtain an injunction in the first instance: the bank has conformed with legal precision to the various requirements which the statutes have imposed; it has cautiously avoided stepping over the prescribed limits, and no opportunity or pretext is afforded by which its downward progress can be arrested in such manner and time as to protect either the interests of the stockholders or public.

It is true that an injunction will be granted when the ruin of the bank has already been consummated by actual insolvency, or in cases where one-half the capital stock has been lost.

But either of these facts must be positively averred under oath to be within the actual knowledge of the commissioners, or must be positively proven by the oath of some other person.

It is a well-established rule of the court of chancery, that an injunction will not be granted *ex parte*, in any case, upon an allegation of facts derived merely from information and belief.

It is often found, therefore, that by the exercise of the utmost vigilance, and by the most particular examination, it is quite impossible to ascertain that a bank has lost half of its capital, and to present such proof of its real condition as will authorize an application to chancery.

Even if the investigation results in a well-founded belief that such is the actual state of the bank, and a bill is filed upon the allegation of this belief, the order granted by chancery is, that cause be shown at a future day why an injunction should not issue, instead of an injunction in the first instance.

This notice fully apprizes the officers in charge of the nature of the application; and if the state of things is such as to induce a belief on their part that an injunction will be granted on the day of hearing, it places before them the temptation of making unjust preferences, and substituting long and perhaps worthless paper for that which is payable at short date and adequately secured.

It is easy to conceive that in a case of this kind the notice of such an application, and the fear of its probable success, might operate to the annihilation of the remaining capital, placed as it often is in the hands of reckless and unprincipled managers, and unrestrained by either moral or legal obligation.

But it is usually with great difficulty that the commissioners can, by inquiry and examination, ascertain facts upon which they can found even a belief, declared as it must be, on oath, that one-half of the capital has been lost.

These examinations take place once in four months. The officer who visits the bank is often a resident in a distant part of the State: he can have but little knowledge of its debtors, or of their responsibility, or of the value and security of its other assets: he is precluded from disclosing the names of the debtors, and must rely for information from necessity upon its managers; and although the information may be given under oath, it is seldom of such a character as to authorize even the belief that half the

stock has been sunk, until the bank has arrived to a point when its true condition becomes palpable, and can no longer be concealed, and when it is on the verge of actual insolvency.

This indisposition to represent the affairs of the bank as they really are does not usually arise from the intention to mislead the commissioners; but rather from the influence of a sanguine hope that the debt, contracted perhaps by their particular agency, although apparently doubtful, will by some means, often inexplicable to themselves, be ultimately paid; and this hope is seldom abandoned until time demonstrates its utter fallacy.

In this way, it often happens that the first distinct information which the commissioners are able to obtain is the admission of the officers that the bank has not only lost one-half, but probably all its capital, and that it is wholly unable to proceed any further.

The only mode which, in our judgment, can be adopted to prevent the unfortunate result here stated, with the hope of even partial success, is by the enlargement of the powers of the commissioners in such a manner as that they may be authorized to arrest the proceedings of any bank whose operations, however conducted, shall, in their opinion, be adverse to the interests of the stockholders or the safety of the public.

Such a provision would directly impose upon the commissioners the responsibility of carefully observing the general administration of each institution, with the view to the exercise of the new authority, whenever they shall deem it necessary, and would enable them often, by timely interference, to protect the stockholders, and save the institution from ruin.

The objections to vesting this extended power in commissioners may probably be founded upon its probable abuse or perversion, by reason of the indefinite character of the particular cases of mismanagement or malpractice to which it might be applied.

But the necessity of such a general authority occurs from the impossibility of defining, by any particular form of words in a statute, the various improper acts and practices which may render the interference of the commissioners necessary.

The evils, also, which might be supposed to result from the improper exercise of this power, are probably more serious in apprehension than reality.

Experience, we think, sufficiently shows that duties of this character, involving great and unpleasant responsibility in their performance on the part of public officers, are usually discharged with reluctance rather than undue severity.

It may also be urged that the authority to suspend the operations of a bank, at the discretion of the commissioners, will injuriously affect its credit.

To a bank, however, which is well managed, such suspension, until its true condition can be ascertained by a court of chancery, would operate in a slight degree to the prejudice of the stockholders, and still less to the public.

At all events, the transient evil of an improper temporary cessation of business would be a loss to the stockholder not to be named in comparison with the total destruction of all his invested capital, which is found to result almost inevitably before a bank can be arrested in its course of ruin under present laws.

We can in no better way evince the importance which we attach to the proposed alteration than in thus hazarding its recommendation; but, believing that no misconception of motive can ever arise in reference to the exercise of this extended authority, and being strongly impressed with the necessity and utility of such a modification, we respectfully submit its propriety to the good judgment of the legislature.

Although stockholders often complain that legislation has heretofore overlooked their interests, in neglecting to impose the necessary restrictions upon the conduct of bank officers, yet it will be found that many of the evils and hazards to which their invested capital is exposed, by mismanagement or fraud, can, in general, be more effectually prevented by their own vigilance, than in any other manner.

The selection of prudent and capable directors must, of necessity, constitute the great safeguard of bank stockholders.

These directors are the agents to whom are confided the care and supervision of large sums of money, placed out of the immediate control of its actual owners, and are the depositories of highly responsible trusts and duties, deeply affecting the interests of the proprietors and the public.

It is idle to expect a successful and safe administration of delegated power of this character, involving peculiar hazards and temptations, unless the greatest caution is used in the choice of men of high and unblemished integrity, who not only feel a strong sense of the responsibility of their position, and the force both of moral and legal obligation, but who are also free from embarrassment, and of skilful business qualifications.

But observation and experience will fully justify the remark, that these considerations seldom sufficiently influence the stockholders in the choice of their managers.

This choice is frequently made with reference to the appointment of some particular individual for the office of president or cashier, who, by personal solicitation with the stockholders at home, and by obtaining the proxies of those residing at a distance, are enabled to effect the election of persons whose only merit often consists in their peculiar predilections for some favorite candidate for the principal salaried station of the bank.

In these cases, it almost uniformly follows that the institution is surrendered into the hands of the financial manager thus appointed, and the directors thus become mere men of straw in his hands; whilst the power acquired by such means is usually fortified and perpetuated by procuring proxies sufficient to keep the officer in place at the succeeding annual elections.

Stockholders who thus trifle with their own interests have no right to complain of the losses which they sustain by the bad management of banks, nor can they rationally expect any other result hereafter, until they exercise more care in reference to the character and capacity of their directors.

In our judgment, it is of exceeding importance to the safety and good government of banks that officers who receive compensation for their services should not only be entirely free from embarrassments in their affairs, but also divested of all business engagements except those which immediately pertain to their official duties.

The misfortunes and losses of our banking institutions, within the last few years, may in a great degree be attributed to a disposition in the execu-

tive officers to engage in hazardous speculations and experiments requiring large sums of money, and to which they have become incited by the facilities which their position places in their reach.

Unless directors shall promptly repress this disposition, by the immediate removal of officers thus acting in violation of their duty and the interests of the stockholders, it is in vain to expect any other results than those disastrous ones which are constantly occurring in the affairs of banks.

In the month of December, 1841, the Clinton County Bank, at Plattsburg, failed to redeem its circulating notes at the agency in Albany, although it continued to pay at home.

Under assurances received from the directors and many of the large stockholders, that the causes which led to this suspension were temporary in their character, and would be immediately removed by an arrangement then in progress, we were induced to postpone for a few days any application for an injunction.

A resumption became a matter of importance not only to the holders of the bills, in consequence of the exhausted condition of the safety fund, but, as it was then supposed, to the stockholders also.

The directors expressed their perfect confidence that more than one-half of the capital was still left, and that, under the administration of a highly capable and experienced cashier to be then appointed, no doubt could exist of its ability to continue its operations, if a specified sum could be raised to meet its immediate exigencies.

The required amount was obtained, and the bank again commenced, by the agent, its redemption in January following, and the new cashier also entered upon the discharge of his duties.

But, after a short time, it became apparent that its credit had been so far injuriously affected by its omission to redeem in December, as to force back upon it for immediate payment its whole outstanding circulation.

This it was not prepared to meet, and it was compelled to submit to a second suspension, which resulted in the service of an injunction in April last, and the subsequent transfer of its assets to a receiver.

This bank was chartered in 1836, with a capital of \$200,000.

The causes of its difficulties were in a great degree identical with those which prostrated its predecessors.

It is represented that, for the first three or four years after its establishment, it was almost exclusively managed by its president and cashier, without the care or supervision of the board of directors; and that, as has been usual in such cases, the officers in charge, forgetting that the funds in their hands belonged to other persons, appropriated them to their own private purposes, or for the benefit of some particular favorites, in the shape of loans and discounts; that one or both were engaged in speculations, the loss on which was of course thrown upon the institution, and remained in the form of a suspended debt to the time of its failure.

This debt, although supposed to be partially secured, has turned out to be almost entirely worthless, and the ruin of the bank has added another illustration of the danger resulting from inattention on the part of directors, and over-confidence in the integrity of unrestricted agents.

In the month of May last the Lewis County Bank was placed under temporary injunction, in consequence of a supposed over-issue and hy-

pothection of its circulating notes, and also by reason of the general confusion in which its affairs appeared to be involved.

Upon further investigation, we became satisfied that no violation of law had occurred in regard to its notes.

In December last a careful examination was made, when it was ascertained that since the service of the injunction a considerable portion of its discounted debt, before considered doubtful, had been made secure, and that its capital was not so far impaired as to require the further prosecution of the complaint for that cause.

Having also received satisfactory evidence that the bank had in its possession cash funds sufficient to redeem almost its entire circulation, we considered it proper to consent to a dissolution of the injunction; and it has resumed its operations under circumstances which induce us to believe that it will sustain itself creditably in future.

In September last we caused an injunction to be issued suspending the business of the Bank of Lyons, and it has been placed under the charge of a receiver.

This bank was also chartered in 1836, with a capital of \$200,000.

It would be a useless repetition to state in detail the causes which led to its failure.

These causes vary in no essential degree from those which destroyed the other insolvent safety-fund banks, and to which reference has been so frequently made in this and our preceding reports.

Independent of the ordinary appropriations of its funds to the private purposes of its original managers, it is said that some time after its organization a purchase of its stock was made by two individuals to an amount exceeding one-half of its capital, and large premiums paid thereon.

This mode was adopted to secure its more perfect control; and, as has been usual in such cases, the repayment of the moneys advanced in the purchase of the stock, including the premiums, was effected by abstracting the amount from the bank itself, and depositing the notes and securities of the parties.

About three years since, an attempt was made to save the institution by placing the government in new hands.

Although, under the administration of these officers, the bank was conducted with great skill and prudence, and well-directed measures were adopted for the further security of the discounted debt, and its extrication from the embarrassments caused by its early management, yet the general decline in the value and convertibility of its assets, together with other unfortunate circumstances growing out of the mal-practices of its former officers, rendered its final prostration unavoidable.

During the last season developments of a very extraordinary character have been made with regard to an over-issue of the circulating notes of the Bank of Buffalo.

The nature and magnitude of this fraud is of a description heretofore unprecedented in the history of banking in this State, and has justly alarmed the public and the remaining institutions, which are required to make up the loss not only in reference to its extent, but also to the possible existence of similar over-issues yet undeveloped in other banks, and which, under the present law, would probably remain without discovery until the whole circulation should be called in.

Under these circumstances, we deem it our duty to present all the facts connected with this matter somewhat in detail, so far as they came to our knowledge, with the view to such action as the legislature may consider necessary, by way of preventing a recurrence of similar mal-practices.

On entering upon the discharge of our duties, in the spring of 1840, the Bank of Buffalo was one of the first institutions visited and examined.

At that time, for the purpose of ascertaining and proving the outstanding circulation, an inquiry was made of the officers for the engravers' accounts of the sheets, which had been printed for the bank; in answer, it was stated that these accounts had never been rendered, but that they should be immediately obtained, and would be ready on the next examination.

The bank was again visited in the summer of 1840, at which time the engravers' accounts were produced, and verified, by the oath of the officers, to be, according to their belief, a full and true statement of all the blank sheets delivered from the period of its organization to that time.

To test, therefore, the correctness of the books in reference to the actual circulation, the following mode was adopted:

The engravers' accounts exhibited the number of sheets printed and the denomination of the bills, and was of course assumed as the basis of the inquiry.

A count was first made of all the blank sheets still remaining on hand, and all the circulating notes which had been signed and were then in the bank.

An account was then taken of the bills actually redeemed at the agency in Albany, and remaining there in deposit only for safe transmission home, and which were proved to be the absolute property of the bank, and subject to its unconditional order and disposal.

The evidence of the accuracy of this latter account, besides the usual oath, existed in the production of the letters of advice from the agent, showing the amount and dates of the respective sealings, and the books of the bank exhibiting the corresponding credits in the redemption of the notes.

The aggregate of these various sums, deducted from the whole amount printed, would of course exhibit the actual circulation.

The amount of circulation thus ascertained agreed with the books of the bank, and also proved the issues to be within the legal limits.

It will be perceived that this mode of examination is the only practicable one by which the outstanding circulation of a bank can be determined. But still its perfect accuracy is dependant upon the correctness of the engravers' accounts and the directors' certificate of the burning, and also upon the truth of the representation in regard to the bills redeemed and in the possession of the agent.

As the engravers could have no possible motive in rendering a false account to the bank of the printed sheets, no rational cause of suspicion could exist in regard to their correctness.

The certificates made by the directors, of the burning of the mutilated notes, assert their annihilation; and as these certificates are usually found on the books at short intervals, extending over many years and under the signatures of different directors, chosen annually, it is quite impossible to ascertain anything about them, except as indicated by the certificates them-

selves, accompanied by the oath of the executive officers of their belief of their accuracy.

In July, 1841, three of the commissioners occupied several days in examining the affairs of this bank, in its minutest details, and with particular reference to its circulation.

As additional bills had been printed since the summer of 1840, the engravers' accounts were again required, produced, and sworn to by the cashier, and the mode of inquiry before referred to pursued with great particularity.

The result again showed the circulation to be within the limits, and to agree with the books of the banks and the register of notes issued.

In October, 1841, it was discovered that an over-issue had taken place, since the examination in July, to the amount of about \$13,000, and for this cause the bank was placed under injunction on the 2d day of November following.

At this time another examination was made of the circulation, when we learned that a few days previous to the injunction the depositors had become alarmed and withdrew their funds; and that the officers, with a full knowledge that the issues were then over the limits, continued to pay out their own notes until the over-circulation appearing by the books amounted to \$66,997.

This gross violation of official duty could in no manner be punished, as the laws did not at that time make it a criminal offence.

After the bank had been closed, on inquiry at the agency in Albany, we became satisfied that the sum of \$25,000 therein deposited, and which the bank claimed to have redeemed, and to be its absolute property, was not in fact so redeemed; and that, consequently, this amount should be added to the actual circulation, thus rendering the whole over-issue about \$90,000, at which sum it was stated in our last annual report.

When the receiver took possession, in December, 1841, he made a very perfect examination, in which he counted every printed sheet not signed, and every note then in bank. This resulted in showing the over-circulation to be substantially as ascertained by the commissioners when the bank was enjoined.

Soon after the comptroller commenced the redemption of these bills out of the safety-fund, it was discovered that the amount presented far exceeded the sum reported by the receiver and ourselves to be outstanding, and this sum has been gradually increasing, until the notes redeemed by the comptroller and taken by the receiver in payment of debts amount to an excess of \$237,731 over the legal limits; thus showing an excess of about \$143,000 over the engravers' account, as rendered to the bank.

During the last summer, an application was made to the engravers at New York, to ascertain whether any error could have possibly occurred in their accounts.

Their ledger agreed with the account delivered to the bank; but on further research, a charge was found on their daily journal some time previous to 1840, showing the delivery of other sheets to the amount of \$75,000.

The reason assigned by the engravers for the omission to enter the charge on the ledger, was the fact that the printing had been paid for when the sheets were delivered, and had therefore been inadvertently left out of the rendered account.

This was undoubtedly the true reason of the mistake.

But, after adding the \$75,000 to the former accounts, an excess of circulation still appears of about \$68,000 over the engravers' account, and of \$143,344 over the amount to be found on the bank books.

In relation to these discrepancies, we have failed to receive, either from the officers or otherwise, any explanation whatever.

In the month of November last, three of the commissioners repaired to Buffalo, and devoted several days to an investigation of this fraud, by an examination of the books and papers, and by particular inquiries of the clerks, officers, and directors.

Among the papers appears a certificate, dated in the latter part of May, 1840, signed by the cashier and one of the directors, of the burning of notes to the amount of about \$144,000; of which sum about \$97,500 are described as being bills of the denominations of \$100 and \$50, and which are not stated to have been mutilated, although such is the uniform language of the other certificates.

The books also show that during the latter part of the same month of May, 1840, bills of the denominations of \$100 and \$50, to the amount of \$150,000, were signed and entered upon the register of notes issued as a part of the circulating bills.

It was also ascertained that in 1837 the bank caused notes to be printed, of the denominations of \$11, \$12, \$13, and \$14, amounting in all to \$50,000.

These notes were signed and put into circulation, but not entered upon the books until a year or two afterwards, when they were called in, and for the first time placed in the register as office notes.

As the president and cashier had, from time to time, sworn to the statements of the condition of the bank, which appeared to be wholly untrue, as shown by the amount of the notes presented to the comptroller for redemption, we conceived it our duty to submit the matter to judicial inquiry, and accordingly presented the case to the grand jury of Erie county, who found bills of indictment against both for perjury in swearing to these statements.

It is understood that trials on these indictments will take place during the present winter, or early in the spring.

Although the three banks at Buffalo present the only known instances in which issues exceeding the legal limits have occurred, out of ten cases of insolvency within the last three years, yet the duty of legislation in preventing, if possible, the perpetration of similar frauds, seems to be unquestioned and indispensable.

The loss to the fund from this cause alone will not fall far short of \$425,000, as already ascertained. This loss must be paid out of the earnings of the remaining institutions, and by the curtailment of dividends already reduced or entirely suspended, to the serious inconvenience of stockholders.

The duty would, therefore, seem to be imperative, that some measure shall be taken for the protection hereafter of all parties interested from loss or hazard by this cause, and which shall at the same time tend to restore, as far as possible, that public confidence in the safety-fund system which transactions of this character have greatly impaired.

It is quite certain that penal enactments, however severe, cannot effectually reach the evil.

Besides the ordinary difficulties attendant upon the conviction of the guilty parties in cases of this character, arising from defective proof and the various technicalities incident to legal proceedings, there is the additional one of the great improbability of ascertaining the existence of such fraud until its discovery by calling in the circulation, as in the case of the Bank of Buffalo; when punishment will be too often evaded by the length of time which may have elapsed since the commission of the fraud, or the flight or death of the offender.

The only perfect security to be provided against a mal-practice of this description, is to prevent the possibility of its commission.

The security against an over-issue would probably be increased by the deposit of the plates of each bank with some proper officer, and the delivery to each of the bills, duly countersigned and registered.

The mutilated notes in this case would be returned to this officer, and new ones delivered in their stead; but, after all, it is obvious that the hazard of a fraudulent collusion between the official agents to do this service and those of the banks must still be incurred.

One of the objections suggested to this measure is the cost of the new plates and printing which it is supposed might be required.

Although this expense would be considerable, and somewhat onerous, if at all necessary, yet it would really be trifling in amount compared with the contributions which must now be made in paying up the loss arising from the Bank of Buffalo alone.

But no good reason can be perceived why new plates should be required; the present ones would answer every purpose, on being deposited with the officer under whose direction the notes would be registered and delivered.

All the additional expense would consist in printing the notes, and this will be very much lessened by the fact that most of the banks have on hand considerable quantities of sheets already printed.

During the past year the banking associations under the general law have sustained themselves with remarkable success, and we are aware of no instance in which they have failed, since the last annual report, in redeeming their notes promptly at home, or by their agents.

Although most of these institutions have suffered, to a greater or less degree, by the depreciation of the securities deposited with the comptroller, yet nothing has occurred to induce a change of the opinion heretofore expressed, that the system, as now modified, is both practicable and safe; and that, although the profits may not be quite as large as in other institutions, yet, with prudent management, they may be sufficiently so to induce investments of capital with less risk to the proprietors and increased safety to the bill-holder.

Under the present law, these associations have no authority to issue sight drafts, even in redemption of their notes.

Although it may be important to guard, by every proper restriction, the issue of any paper in the similitude of bank bills, which might be imposed upon the public as circulation, except the notes received from the comptroller, yet no danger would probably arise from permitting them to issue drafts upon their agents in the cities of Albany and New York, payable at sight, without interest, and for the exclusive purpose of the redemption of their circulating bills.

The drafts drawn by these associations are declared, by a late decision of the supreme court, to be invalid, even in the hands of a *bona fide*

holder, and cannot be enforced against the bank by which they may be issued.

An authority, also, on the part of the free banks, to draw sight drafts on the actual sale of exchange, under proper guards and restrictions, would very much accommodate the business public in their immediate vicinity.

We regret to perceive that many of the safety-fund banks still retain in their resources the item of "bank fund" for the full amount paid. It is an asset of no value, and should be charged to profit and loss, at least so far as relates to the original three per cent., and the contributions of January, 1842 and 1843.

This course has been adopted by several banks, which have anticipated their payments to the fund up to the years 1846 and 1848, intending to charge to profit and loss one-half per cent. per annum of such anticipated payment.

Others, unwilling to retain in their statements an item they regard as worthless, have charged it over altogether.

In some cases, during the past year, the semi-annual dividends have been passed over by the voluntary act of the banks themselves, but in most instances under the directions of the commissioners to that effect, under the authority contained in the law of 1841.

Although the books of the banks generally exhibit a nominal surplus sufficient to justify dividends, yet on scrutinizing the discounted and other debt, reducing it, together with real estate, to convertible values, and charging over the safety-fund contributions, it has been evident, in most cases where the dividends have been passed, that in truth no earnings remained out of which they could properly be made.

A strong disposition is usually found on the part of bank officers to satisfy stockholders of the successful administration of the institutions, by declaring large dividends; but the law under which the commissioners are authorized to prohibit them, when in their judgment they cannot be made out of actual profits, is most salutary, and should be rigidly enforced.

We again respectfully invite the consideration of the legislature to the propriety of amending the law in regard to the time and mode of making the annual bank statements.

These statements do not accurately convey that information in regard to the true condition of the banks which the public have a right to require; and it would be better that they should be abrogated altogether, the exhibition of a fictitious account tending to mislead the stockholders, and all others having any interest in the matter.

As the particular day is now designated, a course of preparation takes place for some time previous, with entire reference to the statement; by which each institution strives to present its affairs in the most advantageous light, by contracting its discounted debt, its circulation, and other liabilities, and enlarging its nominal resources.

If the result presented by this system of preparation was actual and permanent, it might be productive of good to the banks themselves; but it is too often a mere temporary display for one day only, to be succeeded by an immediate relapse to its ordinary action and condition.

This process very seriously affects and deranges the interests of business men and the public at large, during the period in which it is going forward.

It is a matter of common observation that for several weeks previous to

the 1st of January there is always a considerable pressure in the money market, in consequence of the approach of the time for making the annual bank statements.

Two modes have been suggested by which this evil may be remedied.

The first is, that the commissioners should be required, on or about the first day in December in each year, to direct the transmission, in the usual manner, of a statement of their condition on a particular day then past, and that in every year thereafter a different day be designated.

The other is, that instead of allowing the banks to make up their own statements, the commissioners should be required to compile a statement from actual examination made of each bank, on some day fixed by themselves.

The latter mode, in our judgment, would effectually obviate all objections made to the present system, and fully carry out the object of a published statement.

As the time fixed by the commissioners could not be known until the examination takes place, all attempts at preparation would be rendered fruitless.

During the year ending on the 1st of the present month, the loans and discounts of all the chartered banks now remaining, and being eighty-five in number, as compared with the same banks on the 1st of January, 1842, have diminished \$2,959,602.

The discounted debt of forty-three banking associations has increased within this period \$974,263, making an aggregate of diminution in all the banks of the State of \$1,985,339.

The circulation of the chartered banks has also been reduced \$2,027,810, and the free banks \$60,794; showing the whole decrease of circulation to be \$2,088,604.

The specie of the chartered banks has increased \$2,094,602, and the free banks \$974,000; making the whole increase of specie \$3,068,602.

The table below will exhibit a comparative view of the resources and liabilities of all the chartered and free banks for the last two years, excluding the Lafayette Bank in the city of New York, the Watervliet Bank, the Clinton County Bank, the Bank of Lyons, and the North River Bank, whose charter has expired, and which has since gone into operation under the general banking law, together with the James Bank, the Farmers' Bank of Malone, and the Manufacturers' Bank at Ulster—which last named association did not make any returns last year.

## RESOURCES.

	January 1, 1842.	January 1, 1843.
Loans and discounts	\$54,543,073	\$52,557,734
Real estate	3,270,661	3,568,725
Stocks and mortgages	10,291,239	12,446,087
Specie	5,329,857	8,388,559
Notes of other banks	5,319,704	4,808,754
Cash items	1,595,167	2,272,658
Due from banks	8,512,547	4,279,981
	88,862,248	88,322,498

## LIABILITIES.

	January 1, 1842.	January 1, 1843.
Circulation - - - -	\$13,949,504	\$11,860,900
Loans - - - -	117,032	188,144
Due canal fund - - - -	1,411,137	1,495,898
Deposites - - - -	17,063,774	18,723,030
Due banks - - - -	9,395,646	12,051,093
	41,937,093	44,319,065
Add capital and profits - - - -	46,925,155	44,003,433
	88,862,248	88,322,496

The cash items in the line of resources in the New York banks embraces a large amount of treasury notes.

The reports of the \$1 safety-fund banks exhibit nominal profits on hand to the amount of \$3,359,772. On deducting therefrom the aggregate expenses and contributions to the fund, amounting to \$1,484,718, the balance will be \$1,875,054, being a little over 6 per cent.

To determine the circulation of all the banks, the amount of notes of other banks contained in the statements should be deducted.

This account would then stand, in relation to the specie in the banks, as follows:

The 131 banks which have made returns show the circulation to be - - - -	\$12,031,871
Deduct notes held by banks - - - -	4,888,987
Actual circulation - - - -	7,142,884
Specie - - - -	8,477,076
Excess of specie over circulation - - - -	1,334,192

Respectfully submitted.

J. G. FORBES,  
C. STARR,  
T. CARY,  
W. H. AVERILL,  
Bank Commissioners.

ALBANY, January 30, 1843.

[Further details omitted.]

Extracts from the annual report of the Comptroller of the State of New York, made to the Legislature January 20, 1844.

## INCORPORATED BANKS.

An act was passed at the last session of the legislature, chap. 218, "to abolish the office of bank commissioner, and for other purposes," which made provision—

1. That every chartered bank should, on the 1st of July, 1843, return to the comptroller, under the oath of the president and cashier, a statement of all notes in possession of the bank, or in any way outstanding or in circulation, and at the same time deposit all the plates of the bank with the comptroller.

2. That all notes issued prior to 1st July, 1843, not countersigned or delivered to the comptroller, shall, on or before the 1st of July, 1844, be redeemed and destroyed in the presence of the comptroller, or of some person to be appointed by him for that purpose.

3. It also provides that the comptroller shall receive the plates, and at all times cause to be printed, countersigned, and registered, such notes as each bank may require, not exceeding in the aggregate the amount which the bank is allowed to circulate by law.

4. The law also requires every bank in the State to make a quarterly report, under the oath of the president and cashier, to the comptroller, whose duty it is to have an abstract of these reports published.

5. The comptroller is authorized, whenever he shall have good and sufficient reason to suspect the condition of any bank, or the correctness of its quarterly report, to appoint a special agent to examine the affairs of such bank, and who, for that purpose, shall have the same powers now vested by law in a bank commissioner.

By the law passed on the 18th of April, and on the 22d of the same month, the comptroller issued a circular to the several incorporated banks, a copy of which is annexed to this report.

It was represented to the comptroller that most of the banks had large quantities of bank-note impressions on hand, and that they would be subjected to considerable loss if their notes could not be registered. Arrangements were therefore made to have the words "countersigned and registered in the comptroller's office" printed on the backs of these notes, where the register also signed his name. This printing was done in the usual manner of printing bank notes.

In many instances banks had notes which were signed by the president or cashier, or both, which they desired to have countersigned and registered. To do the printing of the single notes and the sheets signed by the officers, two ordinary printing presses were set up in the room occupied by the register, and in this room the printing was done.

Where the banks required new impressions, the plates were altered before these were taken. The comptroller adopted a die prepared by Messrs. Rawdon, Wright & Hatch, who furnished copies of the die for three engraving establishments besides their own. This enabled the banks to have their plates altered and bank notes printed at the places where they had been accustomed to have their work done. The plates were altered by removing the border on one end of each note, and substituting the comptroller's die, which is done without injuring the plate, or

the beauty of the note. When the plate is altered, the printing for the registry is done by the same impression as the bank note, and the register numbers and countersigns it on the face of the bill.

On the 15th of May a circular was issued prescribing the regulations to be observed in altering plates, and printing, registering, and delivering bank note impressions.

The statement marked No. 4 shows the denominations, the number, and the amount in dollars, of all the notes countersigned and registered for the incorporated banks from the 27th day of April to the 1st day of December, 1843. This table presents the following results:

	No of notes.	Am't in dollars.
One dollar notes	954,773	954,773
Two dollar notes	540,906	1,081,812
Three dollar notes	401,262	1,203,786
Five dollar notes	1,000,151	5,000,755
Ten dollar notes	327,637	3,276,390
Twenty dollar notes	62,256	1,245,120
Fifty dollar notes	26,965	1,348,250
One hundred dollar notes	21,450	2,145,000
Three hundred dollar notes	100	30,000
Four hundred dollar notes	100	40,000
Five hundred dollar notes	2,020	1,010,000
One thousand dollar notes	2,090	2,090,000
Three thousand dollar notes	40	120,000
Five thousand dollar notes	20	100,000
	<b>3,339,772</b>	<b>19,645,886</b>

Of this sum there was printed and countersigned on the back \$12,897,616  
 Countersigned on the face 6,748,270  
19,645,886

The number of single notes signed by the president and cashier, which were printed and countersigned on the back, was 252,215, amounting to \$1,816,038. This sum is included in the above aggregate.

The table marked No. 5, shows the denominations and amounts of the notes in circulation of the several incorporated banks on the 1st of July, 1843.

	No. of notes.	Am't in dollars.
One dollar notes	618,118	618,118
Two dollar notes	365,094	730,188
Three dollar notes	263,873	791,619
Four dollar notes	2,274	9,096
Five dollar notes	690,168	3,450,840
Ten dollar notes	202,111	2,021,110
Twenty dollar notes	33,361	667,220
Fifty dollar notes	14,022	701,100
One hundred dollar notes	11,011	1,101,100
Three hundred dollar notes	18	5,400
Four hundred dollar notes	17	6,800
Five hundred dollar notes	580	290,000
One thousand dollar notes	473	473,000
Unknown	-	928,209
		<b>11,794,700</b>

Table No. 6 is a copy of the abstract of the quarterly reports made to the comptroller by the several banks on the 1st day of November, 1843.

Table No. 7 contains—

1. The total amount of notes printed for each bank from its first organization to the 1st July, 1843.
2. The total amount destroyed in sheets and notes the 1st July, 1843.
3. The amount in actual circulation on the 1st of July, 1843.
4. The amount in notes and sheets on hand.
5. The total of the three preceding columns.

The plates of the several banks were required by the law of the last session to be surrendered to the comptroller on the 1st of July, and it was deemed proper to call on the banks when the plates were surrendered, to account for all the impressions which had been taken from them.

Several of the old banks could not comply with this requirement, owing to the omission to preserve the bills of the printers and the original minutes of the sums prepared for circulation. In most cases, however, there is a satisfactory settlement with the plates for all the impressions taken.

So far as these returns are furnished, the result is as follows:

Total amount printed	\$100,927,127
Total destroyed	\$67,551,608
Total in circulation July 1st	9,557,832
Total in sheets and notes on hand	23,922,423

Destroyed to 1st July, in circulation, and on hand - 101,031,812

The table marked No. 8 shows the capital of the several incorporated banks, the amount of notes which each is authorized to circulate by the act chap. 450 of the laws of 1837. The results are as follows:

Aggregate capital of incorporated banks	-	-	\$32,891,460
Circulation authorized by law	-	-	26,215,000
Amount of registered notes delivered	-	-	17,849,358
Amount of old circulation destroyed since 1st of July	-	-	15,116,950
Amount of blank impressions destroyed since 1st of July	-	-	4,793,635

The circulating notes and blank impressions of notes to the amount of \$19,910,585, as given in the two last items, have been counted and destroyed by burning, since the 1st of July, by an agent of the comptroller and an agent of the bank, who have made affidavits thereto, which are filed in the comptroller's office.

The following is a summary of the resources and liabilities of 84 incorporated banks and 45 free banks on the first Monday of August and the 1st day of November, 1843, viz:

[Details omitted. The substance of them is embraced in the synopsis, at page 367, *post.*]

The Fulton Bank, in the city of New York, was chartered in 1824, for twenty years, and its corporate privileges are to cease on the first day of March, 1844. The stockholders have resolved to organize under the general banking law, and to deposit New York State stocks with the comptroller for the whole amount of circulating notes; and, in contemplation of this change, the bank has not had any notes registered, but has been permitted to re-issue the old notes until the new arrangement can be effected. The plates of the bank have been surrendered to the comptroller by a written instrument, under the seal of the corporation, subject to his entire control for all the purposes of the general banking law. These plates, instead of being altered for registry under the law of 1843, will be altered, and the notes registered under the law of 1838. The Fulton Bank is believed to be in a very sound condition, and the notes on hand and in circulation will be reduced to the limit prescribed by law.

#### *Payment of bill-holders and other creditors of banks.*

The bank fund now amounts to - - - \$109,227 72

In May last an injunction was served on the comptroller, directing him not to pay any portion of the bank fund to the creditors of any bank that may have become insolvent since the failure of the Bank of Buffalo, without reserving a sufficient amount to pay all the creditors of said Bank of Buffalo, and all the creditors of any bank having an interest in said bank fund which has failed or become insolvent prior to the failure of said Bank of Buffalo. This is a proceeding before the vice-chancellor of the eighth circuit, and its object is understood to be to protect the interests of depositors in the banks which have failed, and not allow the safety-fund to be applied exclusively to the payment of circulating notes, to the prejudice of depositors and other creditors, who were such creditors at the time of passing the law of 1842.

The original act to create a fund for the benefit of the creditors of certain moneyed corporations declares that the bank fund shall be inviolably appropriated and applied to the payment of such portion of the debts of any of the said corporations which become insolvent as shall remain unpaid after applying the property and effects of such insolvent corporation. The ninth section of the act (chap. 94, of 1829) provides for the payment from

the safety fund of the debts against the corporation, after having applied the assets of the bank. This law recognizes no discrimination between a creditor who has a certificate of deposit and one who holds the notes of the bank.

The act of 1837, (chap 350,) amending the act above referred to, was passed for the purpose of protecting the bill holder of an insolvent bank from loss by the depreciation of the circulating notes. To effect this object, the comptroller was authorized, when an injunction was granted, to apply a portion of the safety-fund in his hands to the redemption of the notes, "in such manner as he may deem most effectual to prevent any loss to the holders of such notes or bills from a depreciation in the value thereof." But the condition on which the chancellor could grant an order authorizing the comptroller to redeem the circulating notes afforded ample protection to the depositors; and this condition was, that one of the bank commissioners should make a certificate "that the amount of the debts of such banking corporation, over and above its property and effects, will not exceed two thirds of the amount of the bank fund then paid in and invested, exclusive of all prior established claims thereon."

This act made full provision for all the debts of the insolvent corporation; the bill holders were paid at once to protect them against loss by depreciation, but they had no exclusive right to the whole of the safety fund; and the portion belonging to depositors and other creditors was reserved for an equal distribution among all the creditors who had acquired what is claimed to be a vested right in the fund, as the laws then existed.

The relative rights of bill holders and depositors remained in this situation until the act chap. 247 of the laws of 1842 was passed, at which time ten of the safety-fund banks had become insolvent with debts enough to bankrupt the safety-fund, then amounting to nearly a million of dollars. This act provides that when an injunction is granted, and an order made by the chancellor on the comptroller, "it shall be lawful for him to apply any or all of the moneys belonging to the bank fund to the payment and redemption of the circulating notes of such banking corporation or corporations, in the order in which such injunction shall have been granted."

This section, instead of requiring a portion of the fund in hand to be reserved for the payment of depositors, as in the law of 1837, appropriated every dollar of it to discharge the claims of those who held the notes of the bank.

In addition to this appropriation of the whole fund to the payment of one class of creditors to the exclusion of all others, the 12th section of the act of 1842 allowed the future contributions of the safety fund banks for the next six years to be paid in the same manner, by authorizing the banks within six months to commute for the payment of three per cent. on the safety fund, and pay in the notes of any of the insolvent banks at par, with an allowance of interest to the bank of seven per cent. on the sum paid, to the time when the contribution would have been due from the bank.

At the time this law passed, a large portion of the outstanding notes of the insolvent banks was held by banks and brokers, where in many cases they had been left in deposit as security for loans. Could such claims, as the law stood previous to that of 1842, be entitled to a preference over

the claims of those who placed their money in the bank and took a certificate of deposit?

There is another feature of the law of 1842, which, if not remedied, will postpone for several years any relief, even to the bill-holders of those banks which failed last. This is the provision which requires the bank fund to be applied to the redemption of circulating notes in the order in which the injunctions were issued against them. Within six months preceding the passage of this law six banks had failed, having an aggregate circulation of \$1,408,000. If the holders of the fair circulation of the bank which first failed were entitled, under the bank-fund law, to a preference over the holder of the circulation of a bank which subsequently failed, the holders of packages received directly from the bank, as security for a loan, were entitled to no such preference; and it is to be regretted that a thorough examination had not been made in 1842, and the safety fund apportioned among the holders of the legitimate circulation of the banks which had failed.

While the great mass of the note-holders were cut off, by the provision referred to, from the money in the custody of the comptroller, another section of the law, which authorized the banks to commute, did not restrict them to the notes of the banks in the order in which they were enjoined, but gave them the range of all the banks which had failed, and even allowed them to pay in the notes of a bank which suspended after the law was passed.

The annexed paper, marked No. 9, shows the condition of a large portion of the notes of the insolvent banks at the time the law of 1842 was passed. The information contained in that paper was given by the several cashiers and receivers in answer to letters addressed to them by the comptroller. The banks and brokers who held large sums in the notes of insolvent banks, by hypothecation or otherwise, have been essentially benefited by the law of 1842. But it has not secured that relief to the great mass of the bill-holders which was anticipated, and which is promised in the title of the act, viz: "To provide for the prompt redemption of the circulating notes of the insolvent safety-fund banks." The failure in that prompt redemption of the notes in the hands of the great mass of the people, which is here promised, has occasioned serious disappointment to thousands of innocent bill-holders. If means could be obtained to take up at once the notes of all the banks which have failed, and at the same time provide for the payment of depositors and other creditors, the measure would be beneficial to the banking system, and do no more than justice to all the creditors of the insolvent banks.

It has been suggested that a stock might be issued sufficient to redeem all the liabilities of the safety-fund, based exclusively on the future contributions of the banks to that fund. Certificates issued under such an arrangement, bearing an interest of six per cent., without in any way pledging the responsibility of the State, would readily be taken by depositors and the holders of large amounts of the notes, and the hundred thousand dollars of money and securities in the treasury might be applied to the redemption of the notes held in small amounts.

If this suggestion should be acted on by the legislature, it would be necessary for the receivers to sell the assets of the banks at auction with as little delay as possible. Litigated cases might be excluded from the esti-

mate of means to pay off all the creditors; and the avails in such cases, if any were realized hereafter, might be paid into the safety-fund.

The following statement shows the amount of notes outstanding at the time of failure of the several banks which have suspended since the Bank of Buffalo, the amount paid into the safety-fund by commutation previous to October, 1842, and the balance of notes now outstanding, viz:

	Amount at time of failure.	Redeemed by commutation.	Now outstanding.
Commercial Bank of Buffalo	\$488,257	\$162,506	\$325,751
Commercial Bank of Oswego	220,209	147,299	72,910
Watervliet Bank	120,778	101,808	18,970
Clinton County Bank	150,203	63,806	86,397
Bank of Lyons	109,000	23,687	85,313
	1,088,447	499,106	589,341

The circulating notes redeemed by the safety-fund, by direct payments from the fund, and by receiving the notes in commutation for future contributions to the fund, amount to the sum of \$1,501,946. The names of the several banks, and the sum redeemed for each, are given under the head of bank fund.

There has been paid from the safety-fund, for the redemption of circulating notes of the Bank of Buffalo, the sum of \$433,329. This bank had a chartered capital of \$200,000, and its circulation was limited by law to \$200,000. This shows that there was a fraudulent issue of \$233,329. The officers of the bank could not have subjected the safety-fund to this portion of the loss under the present system of registry. The possession of the plates, under the old arrangement gave the officers of a bank who were disposed to be dishonest unlimited control over the safety-fund, by making and hypothecating bank bills, for which the fund was declared by law to be liable.

The act chap. 130 of the laws of 1841 gave authority to the bank commissioners to name persons to be appointed receivers of insolvent banks. Several receivers were thus appointed. The second section of the act declared that the receivers thus appointed should "be subject to the direction and control of the bank commissioners in respect to the collection and management of the effects of such corporation, association, or banker, and with their consent may compromise and compound any claims or demands," &c. The act chap. 4 of the laws of 1842 repeals the act of 1841, without designating any other officer to discharge the duties which the previous law assigned to the bank commissioners. It is recommended that the attorney general be authorized to revive the proceedings in the cases referred to, and to place those receivers in all respects on the same footing as receivers appointed by the court of chancery.

## SPECIAL BANK COMMISSIONERS.

The sixth section of the act to abolish the office of bank commissioner provides that "it shall be competent for the comptroller, whenever he shall have good and sufficient reason to suspect the condition of any bank or the correctness of its quarterly report, to appoint a special agent to examine the affairs of such bank, and who, for that purpose, shall have the same powers now vested by law in a bank commissioner."

It is very questionable whether the power given to the comptroller in this section, exercised in the most discreet manner, would be of any material service in securing the interests of the creditors or stockholders of banks. If the controlling managers of a bank determine to apply its resources to the advancement of their private schemes, regardless of their obligations to the creditors of the bank and to the stockholders who have selected them to guard their property, it is in vain to expect that the consummation of their designs can be prevented by a special agent of the comptroller. Some of the desperate managers (as has been the case with some of the banks which have already failed) would amuse the special commissioner with false entries in the books and false oaths, whilst others were converting to their own use the pittance of the widow and the orphan, as well as the means of the capitalist.

Whilst the exercise of this power promises very little if any utility, it may be made a potent engine of evil. It vests the comptroller with authority to appoint an unlimited number of emissaries, each clothed with all the powers heretofore vested by law in a bank commissioner, so far as relates to the bank or banks included in the commission. Without some urgent necessity or the promise of some obvious benefit, a power of this kind should not be lodged in the hands of any public officer.

It is, therefore, respectfully recommended that the 6th section before referred to be repealed; and that the 11th, 12th, 13th, 14th, 15th, 16th, 17th, and 18th sections of chap. 1, title 2, of the first part of the Revised Statutes, which were repealed by chap. 71 of the laws of 1830, be revived. It is desirable, also, that once in each year the banks should make a statement according to a form to be prescribed by the comptroller, to be signed by all the directors and officers of the bank. The directors and officers are the only persons who can make up an intelligent judgment as to the condition of the bank, and whether its capital is impaired or not. The comptroller is required to withhold registered notes from any bank which has lost any part of its capital. How is he to get the necessary information to make a decision, if the directors do not themselves investigate the matter and give him the true condition of the bank? A special agent could not ascertain the facts in this case, if there was a design on the part of the officers of the bank to deceive him.

Every bank ought to be so conducted that an exhibit of its true condition would inspire confidence in its soundness. There is no method of carrying on the business of banking successfully without actual cash capital and honest directors and officers. The stockholders and the billholders should hold the directors responsible for the faithful administration of the bank, and not be deluded with the belief that their interests are to be protected by the vigilance of a commissioner appointed by the comptroller, or in any other mode.

## FREE BANKS.

The whole number of associations and individual bankers that have deposited securities with the comptroller, and received circulating notes therefor under the act to authorize the business of banking, passed April 18, 1833, is ninety-three. Eight of the number have been closed by their own stockholders, and their circulating notes redeemed at par, and returned to the banking department, except the sum of \$1,208; for the redemption of which, funds are in the hands of the comptroller.

Twenty-six of the 93 banks before referred to have been closed by the comptroller. The aggregate circulation of the 26 banks at the time of failure, was

Amount taken up by the comptroller	\$1,197,547
	1,153,984

Leaving the outstanding circulation 43,563

The amount paid for the circulating notes taken up is \$881,070 17, leaving balances of cash in the hands of the comptroller, belonging to the redemption fund, of \$27,974 43.

There are 58 associations and individual bankers now in operation, whose aggregate circulation on the 30th December, 1843, was \$4,299,258.

The securities of the above banks in the hands of the comptroller consist of—

United States 5's	\$2,000 00	
Do. 6's	50,000 00	
New York 4½'s	32,000 00	
Do. 5's	1,139,869 38	
Do. 5½'s	243,000 00	
Do. 6's	125,000 00	
Do. 7's	234,565 00	
	<u>1,826,434 38</u>	Average value for the year.
Michigan	510,663 60	\$1,826,434 38
Indiana	170,000 00	289,000 00
Illinois	534,000 00	55,000 00
Arkansas	587,000 00	171,000 00
Alabama	34,000 00	294,000 00
Kentucky	25,000 00	28,000 00
Maine	40,000 00	24,000 00
Cash deposited	17,731 71	40,000 00
	<u>3,744,829 69</u>	<u>2,745,166 09</u>
Bonds and mortgages	1,525,540 06	1,525,540 06
	<u>5,270,369 75</u>	<u>4,270,706 15</u>
Increase of United States stock	\$52,000 00	
Do. New York State stock	548,597 00	
Do. Bonds and mortgages	39,345 75	
Do. Cash deposited	11,477 61	
	<u>\$651,420 36</u>	

Decrease of Michigan State stocks	-	\$18,336	40
Do. Illinois do.	-	31,000	00
Do. Arkansas do.	-	3,000	00
Do. Alabama do.	-	10,000	00
Do. Kentucky do.	-	6,000	00
Do. Maine do.	-	50,000	00
		<u>\$118,336</u>	<u>40</u>

Of the amount of Michigan State stocks in the bank department, \$36,663 60 is the proceeds of interest due and becoming due, converted into bonds under a law of said State passed March 8, 1843. No circulating notes have been issued thereon; making the actual decrease of Michigan State stocks \$55,000.

One banking association and six individual bankers have commenced business within the year, and have deposited the following stocks, viz:

United States stock, 6 per cent.	-	-	\$50,000
New York State stocks, 4½ do.	-	-	11,000
Do. do. 5 do.	-	-	149,142
Do. do. 5½ do.	-	-	93,000
Do. do. 6 do.	-	-	30,000
Do. do. 7 do.	-	-	50,565
			<u>363,707</u>

Circulating notes issued on the above \$356,976

Plates are now preparing for 5 more individual banks.

Of the bonds and mortgages remaining in the hands of the attorney general at the date of the last report, amounting to \$31,125, there has been sold of the same \$15,400; from which has been realized, after paying all costs, \$14,503 05, which has been applied to the redemption of the circulating notes of the several associations to which the mortgages respectively belonged.

Of the bonds and mortgages deposited by the Farmers' Bank of Orleans, (one of the banks that has failed,) and held in trust for the Albany City Bank, there remains for the redemption of its circulating notes at par \$11,600; the amount of notes outstanding is \$6,122, of which the Albany City Bank holds \$5,395.

The Bank of the United States in New York has been closed by its own officers; and its circulating notes redeemed at par, except \$345 now outstanding, for the redemption of which an equal sum is in deposit with the comptroller in trust, in the American Exchange Bank, in the city of New York.

The Farmers' Bank of Penn Yan has closed business, agreeably to the provisions of the 8th and 9th sections of the act to amend the general banking law, passed May 26, 1841; and the sum of \$135, being the balance of money deposited with the comptroller to redeem the outstanding notes of said bank, has been returned.

The bond and mortgage for \$10,000 pledged by the Washington Bank of New York was sold under a decree of the chancellor, on the 9th day of October last, at the Merchants' Exchange, in the city of New York, and produced, after paying all expenses, \$12,391 53; which, with the balance

on hand from the sale of stocks, will redeem all the outstanding notes of said bank at the time of failure, at par, as follows:

\$19,235 outstanding when the bank was closed.	
17,178 redeemed at 35 cents, and certificates given for the balance	- \$6,012 30
15,836 of the above certificates redeemed at 65 cents	- 10,293 40
642 circulating notes redeemed at par	- 642 00
	<u>16,947 70</u>
1,342 in certificates outstanding at 65 cents	- 872 30
1,415 circulating notes outstanding at par	- 1,415 00
	<u>19,235 00</u>

In two instances, stocks of the United States have been deposited with the comptroller for circulating notes; and in both cases the banks making the deposit have received \$2,000 circulating notes, under a promise to replace New York State stocks for those of the United States. In the other case, the circulating notes have been printed, but not registered. These stocks were deposited under a misapprehension of the law. The original law allowed notes to be issued on a deposit of the stocks of the United States and of the several States. The depreciation of the stocks of most of the States occasioned an amendment of the law excluding the stocks of all the States except those of New York; and this amendment was made so broad as to exclude, also, stocks issued by the government of the United States. This was probably done to increase the demand for New York stocks, which, at the time the amendment was adopted, were falling in the market. This reason does not exist now, and it is respectfully recommended that stocks of the United States be received in deposit for circulating notes.

There are in the banking department the following bank-note plates:

Of banks that have been closed by the comptroller—	
Whole plates	25
Half do.	49
	<u>74</u>
Of the banks closed by their own officers—	
Whole plates	11
Half do.	14
	<u>25</u>
Of the banks that never went into operation—	
Half plates	10
Back do.	6
	<u>115</u>
Whole plates	36
Half do.	73
Back do.	6
	<u>115</u>

During the past year a number of applications have been made for the establishment of individual banks, at points remote from the general chan-

nels of business, and where no necessity seemed to exist for banking facilities. Many of these individual banks have originated in the city of New York, and some in Albany. In several instances the comptroller has refused to receive deposits of stocks and issue circulating notes, on the ground that the applicant was not a resident of the town where the bank, nominally, was to be located. In one instance, application was made for an individual bank at Warwick, Orange county. After the circulating notes were delivered, it was ascertained that no such individual as the one who signed the notes resided in that town; no banking business was done there; and when the notes were sent there for redemption, the holder was under the necessity of taking a notary with him from Goshen, in order to make the currency available, for it was a rare occurrence to get payment at the agency of the bank. In this state of things, the comptroller refused to give the "Farmers' Bank of Orange County" any more notes, and the manager of this concern has abandoned the location for banking operations. In the course of the investigation into this matter, it came out that the nominal president resided in Connecticut, and the whole of the banking operations were conducted in the city of New York, by a person who acted as agent and banker, under a power of attorney from the president. The stocks deposited were ample to secure the redemption of the circulating notes.

The redemption at a discount of half of one per cent., allowed by law, is probably one of the principal inducements for establishing banks of this description. The notes are signed and circulated in the city of New York; and, by fixing the place of redemption at some inaccessible point, the holder is compelled to go to the office where the note was really issued, in Wall street, and pay half of one per cent. for its redemption.

If all the banks in the State were required to redeem their notes at par in the city of New York, the motive for multiplying these shaving shops would probably be removed. This is a growing evil, and it is desirable that it should be checked, by the adoption of a measure, which, while it does no injustice to the fair banker, is required by simple justice to the bill holder.

But, without reference to the considerations above alluded to, every bank in the State ought to be required to redeem its notes at par in the city of New York, for the simple reason that this would secure to the holders of the notes, in every town in the State, what the bank promises to secure them—one hundred cents for a dollar. Some of the bankers may oppose this measure, from a belief that the interests of the bank may suffer by a par redemption. Can this reason have any weight in establishing a currency which is to be a standard of value for two millions and a half of people? The prerogative of sovereignty in regard to the currency is parcelled out among 143 incorporations and associations: they are allowed all the profits arising from the circulation of ten or fifteen millions of dollars in paper, on condition of making it equivalent to gold and silver; and if there is any mode by which this currency can be kept up to the specie standard, in the hands of every person in the State, it ought to be done. Whatever expense the banks are subjected to by this operation, is saved to the innocent bill-holders.

The notes of all the banks in the New England States are redeemed at par in Boston. This is done by an arrangement among the banks themselves, in the following manner:

The Suffolk Bank of Boston receives the bills of all the solvent banks in the New England States at par. As a compensation for the labor and expense, the banks keep a constant deposit in the Suffolk Bank of from two to ten thousand dollars, free of interest, the use of which has enabled the bank to pursue the business for nineteen years, without injury to its stockholders.

The effect on the country banks is, that the redemption in Boston relieves them, in a great degree, from the necessity of providing funds to redeem their bills at home, as they are seldom called upon for specie, except in very small sums.

The amount of bills redeemed in Boston annually, for the country banks, is from one hundred to one hundred and thirty millions of dollars.

This system, which has always been sustained by public opinion in Massachusetts, was in the commencement violently opposed by the country banks and brokers of Boston. They are now, however, so well convinced that it operates for their mutual safety and benefit, that it is believed that the country banks would establish an agency in Boston to continue the system if it should be abandoned by the Suffolk Bank.

Why would not a par redemption in New York be equally beneficial and satisfactory to the same classes of persons in this State? And the aggregate saving to the holders of the bills would be very great. If it is assumed that one hundred millions of dollars are annually redeemed in this State, at half of one per cent., its shows an aggregate loss to the bill-holders of half a million of dollars, which is nearly equal to the net proceeds of the mill tax.

Is it not probable that the interests even of the country banks would eventually be promoted by giving such a character to all the notes issued by the banks of this State as would make them a desirable medium to the inhabitants of that vast region of country which receives its supplies of merchandise from New York? The people are now paying a mill tax to sustain the character of the State stocks at home and abroad, and the banks should not hesitate about paying the inconsiderable sum which may be necessary to give credit and character to the currency issued under the prerogative, secured to them by the laws of the State, of furnishing a currency for the people.

#### *Payments on account of insolvent free banks.*

The bank commissioners instituted proceedings and obtained injunctions against twelve of the free banks, and were not able to collect from the assets of the banks an amount sufficient to pay the costs of the proceedings. The supply bill of 1843 authorized the sums expended in these cases to be paid out of the treasury, and this has been done to the amount of \$875, 21, as follows, viz:

The Erie County Bank	-	-	-	\$72 89
Do	-	-	-	48 58
The Merchants' Exchange Bank of Buffalo	-	-	-	74 35
The United States Bank of Buffalo	-	-	-	67 18
The Union Bank of Buffalo	-	-	-	66 44
The Bank of America, at Buffalo	-	-	-	73 49
The Cattaraugus County Bank	-	-	-	64 35
The Binghamton Bank	-	-	-	70 26
The Bank of Commerce, at Buffalo	-	-	-	72 32

The Phoenix Bank, at Buffalo	\$67 68
The State Bank of New York	71 17
The Mechanics' Bank, at Buffalo	75 09
The Staten Island Bank	51 41
	<hr/>
	875 21

These payments were made on the affidavit of one of the bank commissioners.

*Extracts from the annual report of the Comptroller of the State of New York, made to the Legislature January 20, 1845.*

#### INCORPORATED BANKS.

By the act chapter 218 of the laws of 1843, all the banks of the State are required to make quarterly reports to the comptroller, under the oath of the president and cashier. These reports have been made by all the banks, and an abstract thereof has been prepared and published quarterly, as required by the law referred to.

All the chartered banks were required by the act of 1843 to make a return of their circulating notes to the comptroller, and deliver their plates into his custody on or before the 1st of July of that year; and all notes issued prior to 1st of July, 1843, were required to be burned in presence of the comptroller, or an agent appointed by him, on or before the 1st of July, 1844. Statement No. 3 shows the amount of notes destroyed previous to the 1st of August last, and the sums outstanding at that time, and for the redemption of which the stockholders of the banks are declared by law to be personally liable. The total results of this statement are as follows:

Amount on hand and in circulation, July 1, 1843	\$37,058,359
Amount in actual circulation, July 1, 1843	11,647,820
Amount on hand and in circulation, August 1, 1844	1,916,022
Amount in actual circulation, August 1, 1844	1,545,237

Since the 1st day of August last, evidence has been received of the burning of \$356,290, reducing the amount of non-registered notes in the possession of the banks to \$1,559,732, which includes the actual circulation.

Statement No. 4 shows the denominations of registered notes delivered to each incorporated bank, the total amount destroyed, and the amount remaining on hand.

The total of each denomination of registered notes in the possession of eighty-five incorporated banks, on the 1st day of December, 1844, was as follows:

One dollar notes	\$1,084,530
Two do	1,191,149
Three do	1,319,346
Five do	5,570,120
Ten do	3,744,280

Twenty dollar notes	\$1,329,240
Fifty do	1,447,650
One hundred dollar notes	2,282,900
Five hundred do	944,900
One thousand do	1,874,000
	<hr/>
Total	20,788,115

[Here follow details, which are omitted. The substance of them is embraced in the synopsis, on page 368, *post.*]

The charter of the Chemical Bank in the city of New York expired in April last. Previous to the expiration of the charter, the stockholders, or most of them, formed an association under the general banking law, and the bank is now in successful operation under the new system. There have been deposited with the comptroller stocks of the State of New York to the amount of \$157,677 90, on the security of which circulating notes have been delivered to the bank to the amount of \$133,000.

Already three of the incorporated banks in the city of New York, which have been in operation twenty years, have formed associations under the free banking law, without any apparent interruption to the regular banking business, and the notes issued by these banks, it is believed, are in as good credit as any of the city banks.

#### *Payment of bill holders and other creditors of insolvent safety-fund banks.*

The bank fund, on the 30th of September, amounted to	\$145,493 72
The contributions payable on the 1st of January instant will amount to	33,700 00
	<hr/>
Making a total of	179,193 72

An injunction was served on the comptroller in May, 1843, forbidding the payment of any portion of the safety fund for the redemption of circulating notes of those banks which had become insolvent subsequent to the failure of the Bank of Buffalo. The object of this proceeding was to protect the interests of depositors and other creditors, in those banks which had failed previous to the insolvency of the Commercial Bank of Buffalo, from the operation of the law of 1842, (chapter 247,) which authorized the whole amount of the safety fund to be applied to the payment of bill-holders, to the exclusion of all other creditors, who, by the bank fund law, (chap. 94, of 1829,) were placed on the same footing as the note-holders. For a full explanation of this matter, and of the operation of the law of 1842, reference is made to the last annual report.

In the last annual report a suggestion was made to issue a stock based exclusively on the future contributions of the banks to the safety fund, in order to replenish that fund, and enable it to redeem at once all the outstanding notes of insolvent banks, and to pay depositors as soon as the assets of the banks are disposed of, and the final order of the chancellor on the safety fund is made.

This seems to be the only feasible mode of doing justice to the creditors of those banks which have become insolvent, and at the same time relieving the safety-fund system from the odium of bankruptcy under



Bonds and mortgages	\$1,580,526 87
	<u>6,583,870 56</u>
Increase of New York State stock during the last year	\$1,238,471 00
Do United States stock	53,000 00
Do Michigan State stock	*4,630 00
Do bonds and mortgages	64,986 81
	<u>1,351,087 81</u>
Decrease of Illinois State stocks	\$16,000 00
Do Arkansas do	45,000 00
Do Kentucky do	25,000 00
Do cash deposited	3,587 00
	<u>\$9,587 00</u>

One association, Oliver Lee & Co.'s Bank, Buffalo, and fourteen individual bankers, have commenced business during the year, viz:

Amenia Bank, Dutchess county.  
 Bank of New Rochelle, Westchester county.  
 Black River Bank, Jefferson county.  
 Drivers' Bank, Cattaraugus county.  
 Exchange Bank of Buffalo.  
 Luther Wright's Bank, Oswego.  
 Merchants' Bank, Canandaigua.  
 Merchants' Bank, Erie county.  
 Palmyra Bank, Wayne county.  
 Patchin Bank, Buffalo.  
 Suffolk County Bank.  
 Unadilla Bank, Otsego.  
 White Plains Bank, Westchester county.  
 White's Bank, of Buffalo.

And have deposited the following securities, viz:

New York State 4½ per cent. stock	\$57,479 66
Do 5 do	302,561 28
Do 5½ do	57,000 00
Do 6 do	88,100 00
Do 7 do	115,927 00
United States 5 per cent. stock	50,000 00
	<u>\$671,067 94</u>
Bonds and mortgages	48,589 06
	<u>719,657 00</u>
Circulating notes issued on the above	\$714,585 00

\* Interest coupons exchanged for bonds of the State of Michigan, under a law of said State, passed March 8th, 1843, but no circulating notes issued thereon.

Three banks have been closed by the comptroller, viz:

Bank of Brockport;  
 Clinton Bank, New York;  
 Hamilton Bank, Madison county.

All the securities held in trust have been sold by the comptroller, except a bond and mortgage for \$2,500, deposited by the Bank of Brockport, which is in the hands of the attorney general for collection.

The Howard Trust and Banking Company, Troy, and Farmers' Bank of Orange County, have been closed by their own officers, and an amount equal to the outstanding circulation deposited to the credit of the comptroller in the Troy City Bank, and Commercial Bank, Albany.

The Mercantile Bank, Schenectady, has closed business, agreeably to the provisions of the 8th and 9th sections of the act to amend the general banking law, passed May 26th, 1841, and the sum of \$237, being the balance of money deposited with the comptroller to redeem the outstanding notes of said bank, has been returned.

There are in the hands of the attorney general bonds and mortgages for collection, amounting to \$17,425.

Of the bonds and mortgages deposited by the Farmers' Bank of Orleans, and held in trust for the Albany City Bank, there remains for the redemption of its circulating notes at par, \$1,800. The amount of notes outstanding is \$707.

The comptroller respectfully calls the attention of the legislature to the suggestion in the last annual report on the subject of requiring all the banks in the State to redeem their notes at par in the city of New York. A paper currency should be tolerated only on condition that it is made equivalent to gold and silver in the hands of every person in the State. So far as such a thing is practicable, this would, in a good degree, be the case if every note issued were redeemed at par in the city of New York. The banks in the river counties do now redeem their notes at par in the city of New York, and in no part of the State is the currency in a sounder condition than in these counties.

#### THE GEOLOGICAL SURVEY.

There has been drawn from the treasury, during the last fiscal year, on account of the geological survey, the sum of \$58,391.74. And since the close of the fiscal year the further sum of 39,073.07

Making a total of 97,374 76

It is a source of grievance to the tax-payers that the publication of the geological survey was not stopped at the same time that the public works were suspended, in 1842. It was incumbent on those who received power from the people, under promises of retrenchment, that this enormous drain on their resources should have been cut off at once. The suspension of the public works subjected citizens of this State, in hundreds of instances, to great inconvenience, which they have endured, in addition to a direct tax, for the reason that the condition of the finances required the sacrifice. And during this depression of the finances more than two hundred thousand dollars have been drawn from the treasury to continue the publication of the geological survey, which might have been post-

poned to a more convenient season for the treasury, without detriment to any person, except the favored contractors. If this provident course had been taken, the work might have been published at a great saving of expense, without any detriment by the delay. A project which was commenced on an estimate of \$104,000 has already swallowed up nearly three hundred and fifty thousand dollars, and "the end is not yet."

*Extract from the annual report of the Comptroller of the State of New York to the Legislature, January 12, 1846.*

## BANK FUND.

There has been bank fund stock, issued pursuant to chapter 114, laws of 1845, up to 30th September last, as follows, viz :

For payment of debts of insolvent banks	-	\$304,233 69	
For redemption of bills	-	27,568 00	
For cash	-	4,000 00	
			\$335,801 69
Balance in the treasury September 30, 1845, due the fund	-	\$38,853 05	
Amounted invested in comptroller's bonds, the payment of which has been assumed by the trustees of the Union College	-	20,000 00	
			58,853 05
Debt of the fund 30th September, 1845	-	-	276,948 64

The following is a statement showing the amount of contributions to, and the charges upon, the capital of the fund, from the commencement to the 30th September, 1845, viz :

*Contributions by the banks.*

1831	-	\$26,983 67
1832	-	62,626 68
1833	-	94,296 54
1834	-	105,139 54
1835	-	118,048 56
1836	-	131,766 51
1837	-	110,956 95
1838	-	91,873 20
1839	-	78,107 19
1840	-	51,795 17
1841	-	42,748 23
1842	-	161,899 19
1842, in advance, in notes of suspended banks	-	477,609 00
1843	-	44,991 33
1844	-	33,490 00
1845	-	33,700 00
Total contributions	-	1,666,031 76

Amount of revenue of the fund added to the capital, viz :

1843	-	\$29,900 73
1844	-	3,000 00
1845	-	3,462 50
		\$36,363 23

Amount received from sundry banks for redemption of bills, viz :

1837	-	\$48,866 32
1838	-	105,067 43
1839	-	28,100 00
1841	-	1,108 25
		183,142 00
		\$1,885,536 99

*Charges upon the fund.*

For redemption of bills of suspended banks, viz :

1837	-	\$158,733 00
1838	-	23,684 00
1839	-	595 00
1840	-	315,129 00
1841	-	112,877 00
1842	-	524,909 00
1843	-	549,161 00
1844	-	224 00
1845	-	\$57,042 00
1845, by issue of stock	-	27,568 00
		84,610 00

Total redemptions	-	1,769,922 00
Allowed to Lockport Bank	-	3,000 00
Discount on State stock, belonging to the fund, sold in 1842	-	14,568 77
Interest on bank fund stock, issued in 1845	-	1,272 78
Debts of insolvent banks paid from the treasury	-	69,488 39
Debts of insolvent banks paid by issue of stock	-	304,233 69
		2,162,485 63

Debt of the fund, as above stated - 276,948 64

The following statement shows the capital and the sums contributed to the bank fund by six of the institutions which have failed, and also the amount drawn from the fund to pay the debts of each bank, viz :

	Capital.	Contribution to fund.	Drawn from fund.
City Bank of Buffalo -	\$400,000	\$4,333 33	\$317,107 00
Bank of Buffalo -	200,000	6,000 00	584,143 22
Commercial Bank of Buffalo -	400,000	12,000 00	608,411 87
Commercial Bank of New York	500,000	15,000 00	285,685 23
Commercial Bank of Oswego -	250,000	5,308 21	237,495 63
Clinton County Bank -	200,000	4,263 00	111,604 21
	1,950,000	46,904 54	2,144,447 16

It is confidently believed that the currency in the counties of the five banks which redeem at par, although immediately on the borders of other States, is in all respects as good as the currency in the five counties where the banks are located, which do not redeem at par; thus negating the opinion that it is necessary to authorize our banks by law to shave their own notes at half of one per cent., in order to have a good currency.

The banks incorporated by the legislature, and those formed under the act of 1838, have been regarded as two distinct systems of banking; and, at times, a strong impression has prevailed that there was something inconsistent with the public good in having two systems for creating paper money, and that it was necessary to come to a determination as to which was the best of the two modes, and adopt that and abrogate the other.

So far as the banks are relied on for a currency, there is no marked distinction between those created under the different modes. The incorporated bank issues small bills and large bills, and the free bank does the same; and those interested in each are desirous that the great mass of bill-holders should become converts to the doctrine that bank notes are better for the possessor than gold and silver coin. So far, therefore, as relates to the blessings conferred or the evils inflicted on the people by a paper currency, the free and incorporated banks may be regarded as one system.

Formerly, one class of the incorporated banks—those chartered since 1829—paid a certain sum into the State treasury to secure all the creditors of an insolvent bank against loss; but this feature of the safety-fund system was changed by the 5th section of the act, chapter 247, of the laws of 1842, and now and hereafter the safety-fund is security only for the notes in circulation.

The securities of the free banks in the hands of the comptroller are pledged only for the indemnity of bill-holders. Here, again, the two systems are alike, so far as the interests of creditors are concerned.

In the security of the public under each system, our experience in the failure of ten safety-fund banks, and about three times that number of free banks, proves that the contributions of half of one per cent. annually on the capital of the safety-fund banks have thus far afforded as much protection as the deposits with the comptroller, by the free banks, of a sum nominally equal to all the bills issued to them. It will be seen, by reference to a statement under the head of insolvent free banks, that the loss

to bill-holders, on the supposition that all the securities had been stocks of this State, and bonds and mortgages, would have been over 16 per cent., while the actual loss has been nearly 39 per cent. The loss to the first holders of the safety-fund notes was from 20 to 25 per cent., and there has been a loss of about four years' interest to subsequent purchasers; whereas, in the cases of the free banks, the securities were sold, and the proceeds paid to bill-holders within a few weeks after the failure of the bank.

If the bank-fund act of 1829 had provided only for the redemption of circulating notes, as is the case with the act for free banking, all the notes of the safety-fund banks which have failed would have been paid at par by the contributions made to the safety-fund from 1831 to 1845. And if the present plan of registering notes had also been in operation, the result would have been still more favorable, as fraudulent issues have been redeemed from the safety-fund to the amount of seven hundred thousand dollars.

The only securities on which banks can be established under the free system are bonds and mortgages, and stocks of the State of New York. If the chartered banks should have no other alternative than to associate under the free bank law, as has been done by the North River, the Fulton, and Chemical banks, of New York, and the Long Island and Dutchess County banks, it would create such a demand for State stock as might interfere with the extinguishment of the State debt, or render it impracticable to obtain the required security for banking.

Nothing ought to be allowed to interfere with the payment of the State debt as it falls due, and all necessity for an increased issue of State stock ought to be removed. Among the securities for circulating notes might be included stocks issued by the government of the United States, and gold and silver coin.

The bill holders of the safety-fund banks might be amply secured, by the payment annually into the treasury of a sum equal to half of one per cent. on the capital, during the life of the charter; this sum to be invested, and the accumulations added to the fund, and held by the State as trustee for the bill-holder. Under the present bank-fund law the payments continue for six years only, and the accumulations are distributed annually among the contributing banks, unless the insolvency of some of them creates a necessity for a different distribution. In addition to this, security might be exacted for the punctual payment of the per centage, on the delivery of the circulating notes to the officers of the banks, and such a provision would effectually protect the bill-holder as well as the associated banks.

When the State assumes to authorize a person, or association of persons, to stamp paper dollars, and literally force them into the hands of the citizen, in exchange for his labor and his property, it is an incumbent duty to compel the manufacturer of the currency to secure such citizen against loss; and the most effectual mode of doing this is for the government to take the security into its own hands, and hold it as a trustee for those interested. Both the safety-fund and free-bank systems were intended to secure this object; and though they have come far short of the point to be attained, yet it is believed they have afforded better protection to the holders of the currency issued than any other plan of banking on this continent.

In our efforts to make the paper issues of this State equivalent to gold

and silver, or nearly so as practicable, we have the discouraging assurance that if our bills are kept at par in New York city, the surrounding States will fill all the business channels with an inferior currency, and thus defeat all the efforts to protect the bill-holder from loss. The fact that there are twenty-eight separate State legislatures which may authorize the manufacture of paper money, as a substitute for gold and silver, instead of furnishing a reason for relaxing our efforts to give value and stability to our currency, ought to stimulate us to increased exertions, in the hope that the surrounding States may imitate our example, and secure to themselves a better currency instead of attempting to give us a worse one. The successful stand taken in this State in resuming and maintaining specie payments, and in upholding State credit, shows that honest principles and fair dealing not only have their reward, but also have their influence beyond the boundary of a single State.

After repudiating the British form of government, we adopted her paper system, in a form much more loose and insecure to the people than was ever tolerated even in England. In the State of New York we have been driven by experience to exact something in the form of security from those who issue a paper currency, to insure its redemption. This was the principle which governed the action of the legislature in adopting the safety-fund system in 1829; and in requiring a deposit of security with a State officer, to insure the redemption of the notes issued under the act of 1838. And when it was found that the possession of the plates of a bank enabled its officers to break over the limit of the law by fraudulent issues, the act of 1843 provided for concentrating all the bank plates in the hands of a State officer, and prohibited any bank in the State from issuing any note to constitute a part of the currency unless that note was received from the comptroller, and bore evidence of having been countersigned in his office.

Within the last eighteen months essential reforms have been made in regard to the paper currency and banks in England. It is conceded, after the experience of more than a century, that a bank with paid-up capital, and the obligation to redeem its promissory notes on demand, when connected with and controlled by the general operations of business, does not afford a sufficiently stable basis for paper currency; and hence a proposition has been made to the British Parliament, and adopted, to separate the issue of the bank notes entirely from the business operations of the Bank of England; limiting the issues of currency at all times to the securities, consisting of government stocks and gold and silver actually in the possession of the issuing department, over which the government has a controlling influence.

By an amendment to the charter of the Bank of England, passed in July, 1844, it is provided that from and after August of that year the issue of promissory notes by the bank shall be kept wholly indistinct from the general banking business of the company; and the business relating to the issue of bank notes shall be carried on by the company in a separate department, to be called the issue of the department of the Bank of England. To this department are to be transferred government securities to the value of fourteen millions of pounds, and also so much of the gold coin, and gold and silver bullion, as shall not be required by the banking department; and thereupon there shall be delivered out of the said issue department into the banking department such an amount of notes as, together with the notes then in circulation, shall be equal to the aggregate

amount of the securities, coin and bullion, so transferred to the issue department; and the whole amount of notes in circulation, including those delivered to the banking department, shall be deemed to be issued on the credit of the securities, coin and bullion, in the issue department.

Notwithstanding the strong position of the Bank of England, it has been deemed necessary to base the currency issued by that bank on securities and coin, to be set apart for the redemption of its notes.

The other issuing banks in England and Wales are restricted to the average of their circulation for twelve weeks preceding the 27th of April, 1844. No new banks of issue are to be created.

Thus it will be seen that in England the paper currency has a fixed limit for the kingdom, and the only expansion allowed beyond this limit is on the deposit of coin and bullion.

The acknowledgment of the necessity of these restrictions in England, whose example we have followed too liberally in creating debt and paper money, ought to admonish us of the necessity of new safeguards; and our own experience has shown the unmeasured evils which may be inflicted by the State governments in creating banks and paper money without limit, and State and city stock, without means to redeem them. The general government has power to coin money and regulate the value thereof; but it has never attempted to limit the amount, or to regulate the value of paper money authorized by the several States.

In this state of things it is of the highest importance that the State of New York should give the full force of its example to the establishment of a sound currency, and the honest payment of State debts, and the sacred preservation of the public faith.

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Statement of the condition of the banks of the State of New York on the morning of the first day of May, 1846.

NOTE.—In the official report of the comptroller of the State of New York, from which these tables are taken, the odd cents are omitted; which will account for the apparent discrepancies in the additions at the foot of each column.]

	RESOURCES.					
	Agricultural Bank.*	Albany City Bank.	Albany Exchange Bank.*	American Exchange Bank.*	Amenia Bank.*	Atlantic Bank.
Cash and discounts	\$71,091	\$975,119	\$377,557	\$2,292,496	\$2,083	\$868,121
Loans and discounts to directors of the bank	8,199	81,036	19,712	47,444	-	63,701
Loans and discounts to brokers	-	33,895	39,902	94,851	-	24,000
Real estate	47,562	9,252	45,800	-	-	-
Bonds and mortgages	45,290	22,991	64,300	595,930	75,053	-
Stocks and promissory notes	-	11,000	-	-	-	-
Due from directors, other than for loans and discounts	-	5,500	-	-	-	-
Due from brokers, other than for loans and discounts	-	-	-	-	-	-
Bank fund	6,073	-	2,051	4,724	322	1,251
Loss and expense account	95	821	-	-	-	439
Overdrafts	1,550	40,304	7,959	573,360	2,500	30,643
Specie	8,562	41,108	-	473,110	-	5,334
Cash items	1,796	258,827	17,400	70,150	-	4,916
Bills of solvent banks on hand	10	-	-	-	-	-
Bills of suspended banks on hand	2,797	592,028	17,008	182,861	-	52,240
Due from banks and bankers	-	-	-	-	-	-
<b>Total resources</b>	<b>193,018</b>	<b>2,071,885</b>	<b>591,690*</b>	<b>4,334,928</b>	<b>79,959</b>	<b>1,070,646</b>

\* Free banks.

Doc. No. 226.

	LIABILITIES.					
	Agricultural Bank.*	Albany City Bank.	Albany Exchange Bank.*	American Exchange Bank.*	Amenia Bank.*	Atlantic Bank.
Capital	\$100,800	\$500,000	\$311,100	\$1,155,400	\$10,000	\$500,000
Profits	27,273	65,280	6,113	154,038	-	38,657
Bank notes issued and in circulation	-	3,507	-	-	-	3,285
Registered notes issued and in circulation	49,951	200,768	66,720	208,095	67,322	239,107
Due treasurer of the State of New York	-	10,743	-	-	-	-
Due commissioners of the canal fund	-	3,873	-	-	-	-
Due depositors on demand	13,660	447,030	88,730	1,405,689	2,637	256,887
Due individuals	1,290	1,804	-	938	-	2,885
Due banks	42	838,878	116,059	739,377	-	29,825
Due treasurer of the United States	-	-	-	671,284	-	-
Amount due not included under other heads	-	-	2,967	105	-	-
<b>Total liabilities</b>	<b>193,018</b>	<b>2,071,885</b>	<b>591,690</b>	<b>4,334,928</b>	<b>79,959</b>	<b>1,070,646</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Ballston Spa Bank.*	Bank of Albany.	Bank of Albany.*	Bank of America.	Bank of Attica.*	Bank of Auburn.
Cash and discounts	\$105,814	\$371,588	\$16,620	\$3,263,466	\$115,724	\$359,785
Loans and discounts to directors of the bank	18,800	25,726	-	261,403	-	11,105
Loans and discounts to brokers	-	-	-	-	-	5,000
Real estate	3,000	9,171	-	169,140	-	17,500
Bonds and mortgages	28,060	15,249	62,204	-	29,878	113,556
Stocks and promissory notes	72,582	54,643	31,000	-	20,121	12,000
Due from directors, other than for loans and discounts	-	30,000	-	-	33	32,152
Due from brokers, other than for loans and discounts	-	4,800	-	-	-	-
Bank fund	-	4,380	2,593	26,469	656	-
Loss and expense account	-	6,536	1,011	21,947	157	1,270
Overdrafts	2,064	24,396	3,901	1,003,233	5,503	10,538
Specie	3,782	14,189	4,225	406,047	5	-
Cash items	1,397	13,486	292	35,983	7,562	17,784
Bills of solvent banks on hand	1,051	42	-	-	-	-
Bills of suspended banks on hand	-	-	-	-	-	-
Due from banks and bankers	21,723	30,079	22,217	305,337	6,849	93,285
<b>Total resources</b>	<b>258,267</b>	<b>604,349</b>	<b>144,066</b>	<b>5,493,030</b>	<b>186,691</b>	<b>673,977</b>

Doc. No. 226.

\* Free banks.

	LIABILITIES.					
	Ballston Spa Bank.*	Bank of Albany.	Bank of Albany.*	Bank of America.	Bank of Attica.*	Bank of Auburn.
Capital	\$125,000	\$240,000	\$73,345	\$2,001,200	\$50,000	\$200,000
Profits	9,173	67,031	3,871	227,221	7,014	206,841
Bank notes issued and in circulation	-	31,479	-	22,627	-	14,310
Registered notes issued and in circulation	76,896	109,340	46,834	196,015	45,401	176,613
Due treasurer of the State of New York	-	-	-	-	3,991	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	47,148	139,493	19,687	1,333,279	39,034	72,439
Due individuals	-	1,340	181	12,850	39,937	-
Due banks	49	15,664	146	749,273	1,314	3,774
Due treasurer of the United States	-	-	-	950,562	-	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>258,267</b>	<b>604,349</b>	<b>144,066</b>	<b>5,493,030</b>	<b>186,691</b>	<b>673,977</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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RESOURCES.

	Bank of Central New York.*	Bank of Chango.	Bank of Commerce.*	Bank of Corn- ing.*	Bank of Dans- ville.*	Bank of Gen- esee.
Loans and discounts	\$126,619	\$209,104	\$3,918,689	\$76,003	\$79,460	\$189,704
Loans and discounts to directors of the bank	6,427	21,194	451,400	20,476	8,761	17,050
Loans and discounts to brokers	-	-	228,732	-	-	-
Real estate	13,570	2,944	110,000	2,632	3,935	11,431
Bonds and mortgages	37,555	2,080	-	64,079	122,624	350
Stocks and promissory notes	53,000	-	998,005	81,600	71,000	2,600
Due from directors, other than for loans and discounts	-	-	-	322	-	-
Due from brokers, other than for loans and discounts	-	-	-	299	-	-
Bank fund	-	-	-	-	-	-
Loss and expense account	1,130	-	9,324	1,792	1,648	2,054
Overdrafts	36	781	-	569	580	867
Specie	3,221	7,014	695,794	3,080	4,827	5,638
Cash items	7,923	-	546,478	349	-	-
Bills of solvent banks on hand	8,754	4,094	63,010	1,916	6,301	6,141
Bills of suspended banks on hand	-	-	-	-	-	24
Due from banks and bankers	10,490	75,155	70,986	1,015	14,591	58,468
<b>Total resources</b>	<b>268,729</b>	<b>322,368</b>	<b>7,092,420</b>	<b>254,156</b>	<b>313,731</b>	<b>293,330</b>

\* Free banks.

LIABILITIES.

	Bank of Central New York.*	Bank of Chango.	Bank of Commerce.*	Bank of Corn- ing.*	Bank of Dans- ville.*	Bank of Gen- esee.
Capital	\$110,200	\$120,000	\$3,447,500	\$104,500	\$150,250	\$100,000
Profits	26,376	20,492	196,843	14,706	37,920	11,830
Bank notes issued and in circulation	-	10,402	-	-	-	6,298
Registered notes issued and in circulation	71,869	142,979	208,055	59,311	89,124	130,748
Due treasurer of the State of New York	-	-	-	3,227	1,757	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	46,906	26,294	2,388,055	23,652	29,215	30,036
Due individuals	315	688	5,509	24,200	517	8,145
Due banks	13,062	1,511	846,457	24,558	4,863	6,271
Due treasurer of the United States	-	-	-	-	-	-
Amount due not included under other heads	-	-	-	-	83	-
<b>Total liabilities</b>	<b>268,729</b>	<b>322,368</b>	<b>7,092,420</b>	<b>254,156</b>	<b>313,731</b>	<b>293,330</b>

\* Free banks.

Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.					
	Bank of Gene- va.	Bank of Ithaca.	Bank of Kin- derhook.*	Bank of Lan- singburg.	Bank of Low- ville.*	Bank of Mon- roe.
Loans and discounts	\$700,572	\$235,197	\$87,382	\$278,531	\$81,364	\$167,035
Loans and discounts to directors of the bank	24,079	26,103	16,037	3,691	11,964	7,125
Loans and discounts to brokers	-	33,649	-	-	-	-
Real estate	-	16,170	19,500	7,000	-	55,643
Bonds and mortgages	29,061	41,862	46,500	1,200	47,200	40,693
Stocks and promissory notes	14,643	7,600	77,381	-	44,000	-
Due from directors, other than for loans and discounts	-	-	-	-	41	-
Due from brokers, other than for loans and discounts	50,065	-	-	-	-	-
Bank fund	3,009	2,000	-	-	-	16,500
Loss and expense account	600	754	-	-	-	3,123
Overdrafts	100	-	607	267	-	588
Specie	13,474	6,100	56	16	17	8,074
Cash items	-	8,100	3,829	6,131	1,411	107
Bills of solvent banks on hand	26,436	1,761	654	300	-	4,437
Bills of suspended banks on hand	-	-	9,221	4,912	1,620	21
Due from banks and bankers	37,136	79,122	10,821	4,323	17,136	50,310
<b>Total resources</b>	<b>905,278</b>	<b>508,421</b>	<b>271,990</b>	<b>306,374</b>	<b>204,756</b>	<b>659,660</b>

\* Free banks.

	LIABILITIES.					
	Bank of Gene- va.	Bank of Ithaca.	Bank of Kin- derhook.*	Bank of Lan- singburg.	Bank of Low- ville.*	Bank of Mon- roe.
Capital	\$400,000	\$300,000	\$125,000	\$120,000	\$102,450	\$300,000
Profits	101,493	30,216	13,726	11,227	4,003	58,520
Bank notes issued and in circulation	15,963	4,650	-	6,616	-	7,632
Registered notes issued and in circulation	270,459	179,191	73,957	125,076	49,075	197,501
Due treasurer of the State of New York	8,151	-	-	-	-	3,788
Due commissioners of the canal fund	-	-	-	-	-	655
Due depositors on demand	90,603	41,534	53,839	35,065	35,973	45,453
Due individuals	18,608	8,895	2,000	1,607	10,000	-
Due banks	-	42,863	3,013	6,782	730	46,109
Due treasurer of the United States	-	1,070	454	-	2,524	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>905,278</b>	<b>508,421</b>	<b>271,990</b>	<b>306,374</b>	<b>204,756</b>	<b>659,660</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.					
	Bank of New-burg.	Bank of New Rochelle.	Bank of New York.	Bank of Orange County.	Bank of Orleans.	Bank of Owego.
Loans and discounts	\$287,121	\$5,000	\$1,966,557	\$237,255	\$285,353	\$293,102
Loans and discounts to directors of the bank	21,273	-	90,755	12,257	16,030	7,559
Loans and discounts to brokers	-	-	-	-	-	-
Real estate	12,596	-	75,000	20,441	46,953	3,550
Bonds and mortgages	2,800	-	-	7,953	24,242	-
Stocks and promissory notes	20,000	10,184	342,477	982	3,269	-
Due from directors, other than for loans and discounts	-	-	-	-	59	-
Due from brokers, other than for loans and discounts	-	-	-	-	-	37,443
Bank fund	-	-	-	-	11,000	-
Loss and expense account	-	758	-	569	1,900	612
Overdrafts	282	-	3,758	103	275	-
Specie	13,267	570	513,798	7,642	6,420	12,612
Cash items	181	1,000	255,070	4,571	3,194	1,396
Bills of solvent banks on hand	2,655	1,060	93,754	1,023	227	508
Bills of suspended banks on hand	-	-	-	-	80	-
Due from banks and bankers	56,569	-	125,404	91,967	36,309	76,067
<b>Total resources</b>	<b>416,746</b>	<b>18,572</b>	<b>3,466,576</b>	<b>314,765</b>	<b>435,315</b>	<b>432,853</b>

	LIABILITIES.					
	Bank of New-burg.	Bank of New Rochelle.	Bank of New York.	Bank of Orange County.	Bank of Orleans.	Bank of Owego.
Capital	\$140,000	\$5,000	\$1,000,000	\$105,660	\$200,000	\$200,000
Profits	42,108	8	120,108	26,807	9,879	8,252
Bank notes issued and in circulation	18,861	-	79,428	31,903	3,111	1,197
Registered notes issued and in circulation	110,673	10,176	360,518	101,603	180,119	184,082
Due treasurer of the State of New York	-	-	-	-	2,070	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	88,629	1,630	1,683,260	47,652	38,804	38,841
Due individuals	-	1,758	40,000	-	-	-
Due banks	16,474	-	183,260	848	1,330	379
Due treasurer of the United States	-	-	-	-	-	-
Amount due not included under other heads	-	-	-	290	-	-
<b>Total liabilities</b>	<b>416,746</b>	<b>18,572</b>	<b>3,466,576</b>	<b>314,765</b>	<b>435,315</b>	<b>432,853</b>

Doc. No. 226.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

Doc. No. 226.

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RESOURCES.

	Bank of Poughkeepsie.	Bank of Rochester.	Bank of Rome.	Bank of Salina.	Bank of Silver Creek.*	Bank of the State of New York.
Loans and discounts	\$207,833	\$212,215	\$215,872	\$185,595	\$94,773	\$3,602,498
Loans and discounts to directors of the bank	7,126	63,136	11,026	33,919	6,200	204,198
Loans and discounts to brokers						
Real estate	9,262	45,073	9,723	26,560		134,187
Bonds and mortgages	5,183	54,033	920	1,482	38,850	
Stocks and promissory notes				30,000	54,000	552,907
Due from directors, other than for loans and discounts					360	
Due from brokers, other than for loans and discounts	1,834					
Bank fund			5,500	1,500		
Loss and expense account	691	38,977	880	2,429		4,112
Overdrafts		1,017	223	1,314		164
Specie	13,856	5,541	5,608	6,365	6,124	885,230
Cash items	13,670	691		1,567	873	419,735
Bills of solvent banks on hand	4,803	4,489	14,525	5,755	4,526	39,105
Bills of suspended banks on hand			3	248		2,065
Due from banks and bankers	109,936	17,082	48,337	37,377	4,511	504,102
<b>Total resources</b>	<b>374,402</b>	<b>442,257</b>	<b>312,622</b>	<b>334,115</b>	<b>210,218</b>	<b>6,548,307</b>

\* Free bank.

LIABILITIES.

	Bank of Poughkeepsie.	Bank of Rochester.	Bank of Rome.	Bank of Salina.	Bank of Silver Creek.*	Bank of the State of New York.
Capital	\$100,000	\$250,000	\$100,000	\$150,000	\$92,850	\$2,000,000
Profits	33,493		19,326	7,259	9,077	109,526
Bank notes issued and in circulation	4,631		2,878	1,048		6,341
Registered notes issued and in circulation	143,923	115,146	135,796	132,592	79,503	295,163
Due treasurer of the State of New York			4,557	1,761		
Due commissioners of the canal fund			26			
Due depositors on demand	76,266	19,572	48,268	8,938	13,592	3,344,448
Due individuals			97	29,000		4,231
Due banks	16,088	46,242	1,492	3,363	9,143	789,596
Due treasurer of the United States						
Amount due not included under other heads		11,296	179	146	6,024	
<b>Total liabilities</b>	<b>374,402</b>	<b>442,257</b>	<b>312,622</b>	<b>334,115</b>	<b>210,218</b>	<b>6,548,307</b>

\* Free bank.

Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 2261

	RESOURCES.					
	Bank of Syracuse.*	Bank of Troy.	Bank of Utica.	Branch of Bank of Utica, at Canandaigua.	Bank of Ver-non.*	Bank of Watertown.*
Loans and discounts	\$224,327	\$887,545	\$556,999	\$239,977	\$58,700	\$36,509
Loans and discounts to directors of the bank	7,400	72,283	27,307	4,700	-	20,905
Loans and discounts to brokers	-	-	-	-	-	-
Real estate	2,000	39,877	28,870	13,325	2,000	3,904
Bonds and mortgages	74,200	6,370	4,552	5,362	16,857	36,629
Stocks and promissory notes	143,260	47,344	25,197	-	50,000	51,655
Due from directors, other than for loans and discounts	-	23,322	1,050	-	-	-
Due from brokers, other than for loans and discounts	4,720	-	-	-	-	5,364
Bank fund	-	-	15,000	-	-	-
Loss and expense account	695	-	2,042	1,120	574	2,717
Overdrafts	1,533	-	-	-	97	-
Specie	3,365	10,226	20,045	3,625	1,893	4,837
Cash items	1,318	96	125	-	5,849	1,971
Bills of solvent banks on hand	2,794	7,928	7,729	5,458	5,099	5,924
Bills of suspended banks on hand	-	30	-	-	-	-
Due from banks and bankers	43,856	27,931	182,511	62,214	19,531	11,962
<b>Total resources</b>	<b>509,471</b>	<b>1,122,953</b>	<b>871,430</b>	<b>334,684</b>	<b>160,603</b>	<b>182,379</b>

\* Free banks.

	LIABILITIES.					
	Bank of Syracuse.*	Bank of Troy.	Bank of Utica.	Branch of Bank of Utica, at Canandaigua.	Bank of Ver-non.*	Bank of Watertown.*
Capital	\$175,750	\$440,000	\$450,000	\$150,000	\$76,100	\$100,000
Profits	37,731	95,844	60,811	6,170	1,606	1,748
Bank notes issued and in circulation	-	22,671	10,136	-	-	-
Registered notes issued and in circulation	136,658	141,489	214,479	143,401	58,359	47,590
Due treasurer of the State of New York	-	-	60	-	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	46	117,429	86,529	18,577	23,326	13,982
Due individuals	124,070	-	20,668	5,904	-	10,512
Due banks	33,715	305,519	8,488	10,631	1,180	6,957
Due treasurer of the United States	1,500	-	57	-	-	2,587
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>509,471</b>	<b>1,122,953</b>	<b>871,430</b>	<b>334,684</b>	<b>160,603</b>	<b>182,379</b>

\* Free banks.

Doc. No. 2261

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 2261

	RESOURCES.					
	Bank of Water-ville.*	Bank of White-hall.	Bank of Whites-town.*	Black River Bank.*	Brooklyn Bank	Broome County Bank.
Loans and discounts	\$53,830	\$161,059	\$93,488	\$92,135	\$120,773	\$204,235
Loans and discounts to directors of the bank	18,205	29,613	13,581	-	39,523	1,604
Loans and discounts to brokers	-	-	-	-	-	-
Real estate	1,750	7,433	8,153	-	15,000	6,000
Bonds and mortgages	38,419	323	39,564	28,993	-	107
Stocks and promissory notes	63,881	-	51,125	28,692	25,000	-
Due from directors, other than for loans and discounts	-	45	-	-	-	-
Due from brokers, other than for loans and discounts	-	-	775	-	-	6,272
Bank fund	-	3,000	-	-	-	-
Loss and expense account	339	1,168	727	-	17,339	269
Overdrafts	-	513	313	235	176	169
Specie	4,643	9,730	2,577	5,002	6,870	9,109
Cash items	305	8,285	115	345	4,751	179
Bills of solvent banks on hand	549	6,504	1,845	3,085	208	1,887
Bills of suspended banks on hand	82	54	-	-	-	-
Due from banks and bankers	39,642	47,968	7,354	18,177	19,219	38,945
<b>Total resources</b>	<b>221,649</b>	<b>275,700</b>	<b>219,621</b>	<b>176,665</b>	<b>248,862</b>	<b>268,779</b>

\* Free banks.

	LIABILITIES.					
	Bank of Water-ville.*	Bank of White-hall.	Bank of Whites-town.*	Black River Bank.*	Brooklyn Bank	Broome County Bank.
Capital	\$100,000	\$100,000	\$100,000	\$50,000	\$100,000	\$100,000
Profits	12,652	10,799	8,593	9,488	2,381	17,133
Bank notes issued and in circulation	-	4,929	-	-	2,009	3,811
Registered notes issued and in circulation	88,057	127,529	64,417	53,718	35,943	125,506
Due treasurer of the State of New York	-	-	-	-	-	775
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	18,356	26,505	46,224	58,458	108,538	19,648
Due individuals	1,058	100	76	5,000	-	36
Due banks	1,325	2,394	309	-	-	1,868
Due treasurer of the United States	-	-	-	-	-	-
Amount due not included under other heads	-	3,443	-	-	-	-
<b>Total liabilities</b>	<b>221,649</b>	<b>275,700</b>	<b>219,621</b>	<b>176,665</b>	<b>248,862</b>	<b>268,779</b>

\* Free banks.

Doc. No. 2261

Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.					
	Butchers and Drivers' Bank.	Canal Bank of Albany.	Canal Bank of Lockport.*	Catskill Bank.	Cayuga County Bank.	Central Bank.
Loans and discounts	\$1,157,615	\$602,711	\$278,049	\$174,724	\$453,144	\$227,488
Loans and discounts to directors of the bank	84,590	82,466	5,700	31,393	26,272	18,308
Loans and discounts to brokers	12,631	-	-	5,518	-	-
Real estate	57,183	5,250	1,421	21,912	10,000	6,492
Bonds and mortgages	53,396	43,129	97,339	10,677	33,948	11,530
Stocks and promissory notes	-	27,721	102,075	23,819	-	-
Due from directors, other than for loans and discounts	-	-	-	2,148	-	-
Due from brokers, other than for loans and discounts	-	77,250	-	-	7,426	-
Bank fund	-	19,500	-	-	-	-
Loss and expense account	-	8,688	14,230	1,930	-	40
Overdrafts	769	2,116	2,405	594	6	-
Specie	107,589	40,222	4,812	5,244	9,561	5,425
Cash items	51,597	19,241	5,137	3,235	1,641	4,944
Bills of solvent banks on hand	24,117	38,812	8,455	3,241	15,552	9,831
Bills of suspended banks on hand	-	-	247	15	-	655
Due from banks and bankers	52,944	30,986	40,002	43,778	46,192	37,937
<b>Total resources</b>	<b>1,602,435</b>	<b>998,096</b>	<b>559,877</b>	<b>328,283</b>	<b>603,745</b>	<b>322,652</b>

\* Free bank.

	LIABILITIES.					
	Butchers and Drivers' Bank.	Canal Bank of Albany.	Canal Bank of Lockport.*	Catskill Bank.	Cayuga County Bank.	Central Bank.
Capital	\$500,000	\$300,000	\$230,000	\$150,000	\$250,000	\$120,000
Profits	82,729	24,965	56,623	34,072	7,725	21,711
Bank notes issued and in circulation	4,810	4,025	-	14,563	5,402	8,163
Registered notes issued and in circulation	266,442	111,268	139,903	97,917	218,029	151,420
Due treasurer of the State of New York	-	13,198	2,741	-	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	592,485	173,690	104,045	28,535	114,352	20,075
Due individuals	2,470	1,233	740	250	409	-
Due banks	153,498	269,716	25,572	2,944	7,827	1,232
Due treasurer of the United States	-	-	250	-	-	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,602,435</b>	<b>998,096</b>	<b>559,877</b>	<b>328,283</b>	<b>603,745</b>	<b>322,652</b>

Free bank.

Doc. No. 226.

Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

RESOURCES.

	Chautauque County Bank.	Chemical Bank.*	Chemung Canal Bank.	City Bank.	Commercial B'k of Albany.	Commercial Bank of Ro- chester.*
Loans and discounts-	\$217,566	\$804,308	\$373,402	\$1,273,364	\$431,859	\$365,879
Loans and discounts to directors of the bank	9,291	54,565	978	97,841	125,108	46,782
Loans and discounts to brokers		2,526				1,500
Real estate	19,950		40,812	72,758	56,321	35,443
Bonds and mortgages	13,644	14,182	8,433		20	151,195
Stocks and promissory notes	625	291,756	3,131	11,154	351,409	130,310
Due from directors, other than for loans and discounts			1,355			
Due from brokers, other than for loans and discounts						
Bank fund				196		3,137
Loss and expense account	597	1,079	109			345
Overdrafts	1	122	812	1,785	5,800	8,501
Specie	8,147	86,073	9,833	127,579	16,168	8,601
Cash items	779	48,700	1,173	212,800	13,387	661
Bills of solvent banks on hand	1,657	13,332	426	31,007	48,099	7,578
Bills of suspended banks on hand						
Due from banks and bankers	263,213	56,254	28,570	91,134	142,778	26,395
<b>Total resources</b>	<b>335,473</b>	<b>1,372,932</b>	<b>469,040</b>	<b>1,919,920</b>	<b>1,190,946</b>	<b>778,030</b>

Free banks.

LIABILITIES.

	Chautauque County Bank.	Chemical Bank.*	Chemung Canal Bank.	City Bank.	Commercial B'k of Albany.	Commercial Bank of Ro- chester.*
Capital	\$100,000	\$300,000	\$200,000	\$720,000	\$300,000	\$329,000
Profits	16,910	90,565	27,722	92,392	13,126	51,377
Bank notes issued and in circulation	5,125		3,134	15,209	7,266	
Registered notes issued and in circulation	138,470	249,618	196,770	146,568	158,300	183,405
Due treasurer of the State of New York			3,937		91,561	
Due commissioners of the canal fund						
Due depositors on demand	10,637	592,077	42,232	896,526	380,440	95,565
Due individuals		102,700		29,857	205	7,750
Due banks	25,442	37,971	1,184	19,337	240,026	85,032
Due treasurer of the United States						
Amount due not included under other heads	38,887					25,000
<b>Total liabilities</b>	<b>335,473</b>	<b>1,372,932</b>	<b>469,040</b>	<b>1,919,920</b>	<b>1,190,946</b>	<b>778,030</b>

Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Commercial Bank of Troy.*	Cuyler's Bank.*	Delaware Bank.*	Drovers' Bank of Cattaraugus County.*	Essex County Bank.	Exchange Bank of Buffalo.*
Loans and discounts -	\$219,996	\$26,123	\$131,472	\$48,395	\$229,340	\$7,016
Loans and discounts to directors of the bank	61,530	-	5,481	-	11,715	-
Loans and discounts to brokers	-	-	4,029	-	26,678	3,130
Real estate	-	1,234	2,783	-	1,765	15,082
Bonds and mortgages	30,000	51,766	109,978	100,000	-	-
Stocks and promissory notes	34,000	-	-	-	-	2,857
Due from directors, other than for loans and discounts	-	932	9,404	-	-	-
Due from brokers, other than for loans and discounts	-	-	-	3,000	-	-
Bank fund	-	-	-	-	134	96
Loss and expense account	2,522	347	1,291	-	1,112	1,756
Overdrafts	123	46	37	-	5,166	10,565
Specie	2,260	156	1,599	2,947	2,529	489
Cash items	558	1,453	1,050	-	3,864	6,025
Bills of solvent banks on hand	3,101	559	1,534	7,436	-	21
Bills of suspended banks on hand	-	-	309	-	16,501	-
Due from banks and bankers	13,473	3	8,426	-	-	-
<b>Total resources</b>	<b>367,566</b>	<b>82,622</b>	<b>277,399</b>	<b>158,779</b>	<b>301,807</b>	<b>47,038</b>

Doc. No. 226.

\* Free banks.

	LIABILITIES.					
	Commercial Bank of Troy.*	Cuyler's Bank.*	Delaware Bank.*	Drovers' Bank of Cattaraugus County.*	Essex County Bank.	Exchange Bank of Buffalo.*
Capital	\$157,500	\$3,834	\$106,100	\$5,000	\$100,000	\$14,000
Profits	7,613	322	12,868	3,219	11,367	1,178
Bank notes issued and in circulation	-	-	-	-	7,472	-
Registered notes issued and in circulation	47,441	48,111	86,448	99,994	132,281	14,000
Due treasurer of the State of New York	-	1,968	-	-	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	23,545	7,978	32,394	8,413	49,267	4,677
Due individuals	4,000	710	14	-	172	2,950
Due banks	127,467	18,589	39,165	-	1,248	3,000
Due treasurer of the United States	-	-	-	-	-	-
Amount due not included under other heads	-	1,107	409	42,152	-	7,232
<b>Total liabilities</b>	<b>367,566</b>	<b>82,622</b>	<b>277,399</b>	<b>158,779</b>	<b>301,607</b>	<b>47,038</b>

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\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.					
	Exchange B'k of Genesee.*	Exchange B'k of Lockport.*	Farmers' Bank of Amsterdam.*	Farmers' Bank of Hudson.*	Farmers' Bank of Troy.	Farmers and Drovers' B'k of Erie County.*
Loans and discounts	\$32,773	\$69,068	\$86,041	\$155,571	\$671,616	
Loans and discounts to directors of the bank	1,346	-	12,132	22,660	11,100	
Loans and discounts to brokers	3,997	-	-	5,446	27,279	
Real estate	33,943	33,035	28,900	54,172	10,988	
Bonds and mortgages	55,526	30,142	30,000	78,010	65,425	
Stocks and promissory notes	206	-	-	-	-	
Due from directors, other than for loans and discounts	3,623	1,010	-	-	-	
Due from brokers, other than for loans and discounts	-	-	26	1,981	1,418	
Bank fund	12,997	1,828	386	896	307	
Loss and expense account	174	30	-	5,504	13,593	
Overdrafts	2,545	3,380	2,708	2,644	78	
Specie	56	1,289	-	3,578	4,401	
Cash items	1,567	5,065	339	-	-	
Bills of solvent banks on hand	-	-	-	-	-	
Bills of suspended banks on hand	5,743	10,759	20,217	28,036	101,307	
Due from banks and bankers	-	-	-	-	-	
<b>Total resources</b>	<b>154,501</b>	<b>155,609</b>	<b>180,751</b>	<b>358,503</b>	<b>907,515</b>	

\* Free banks.

	LIABILITIES.					
	Exchange B'k of Genesee.*	Exchange B'k of Lockport.*	Farmers' Bank of Amsterdam.*	Farmers' Bank of Hudson.*	Farmers' Bank of Troy.	Farmers and Drovers' B'k of Erie County.*
Capital	\$100,075	\$40,000	\$81,800	\$135,450	\$278,000	
Profits	-	10,125	3,176	17,318	52,861	
Bank notes issued and in circulation	-	-	-	-	21,699	
Registered notes issued and in circulation	49,172	54,776	51,357	92,946	191,412	
Due treasurer of the State of New York	-	2,770	-	-	-	
Due commissioners of the canal fund	-	-	-	-	-	
Due depositors on demand	5,254	37,601	42,310	92,256	149,958	
Due individuals	-	-	433	-	-	
Due banks	-	10,336	1,674	20,533	219,563	
Due treasurer of the United States	-	-	-	-	-	
Amount due not included under other heads	-	-	-	-	-	
<b>Total liabilities</b>	<b>154,501</b>	<b>155,609</b>	<b>180,751</b>	<b>358,503</b>	<b>907,515</b>	

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Farmers and Drivers' Bank at Somers.*	Farmers and Manufacturers' Bank.	Farmers and Mechanics' Bank of Rochester.*	Farmers and Mechanics' Bank of Ogdensburg.*	Farmers and Mechanics' Bank of Genesee.*	Fort Plain Bank.*
Loans and discounts	\$97,263	\$578,777	-	-	\$22,277	\$78,348
Loans and discounts to directors of the bank	2,717	6,335	-	-	1,500	2,409
Loans and discounts to brokers	-	-	-	-	-	-
Real estate	3,206	57,477	-	-	4	2,217
Bonds and mortgages	18,400	336	\$20,400	-	15,285	42,375
Stocks and promissory notes	55,578	-	52,375	-	39,000	57,923
Due from directors, other than for loans and discounts	-	2,136	17,183	-	452	-
Due from brokers, other than for loans and discounts	-	-	-	-	-	-
Bank fund	-	-	-	-	4,389	1,408
Loss and expense account	270	1,742	-	-	1,050	-
Overdrafts	-	138	240	-	1,943	2,037
Specie	6,955	20,446	1,890	-	1,943	652
Cash items	1,968	18,920	1,025	-	495	5,092
Bills of solvent banks on hand	1,029	5,039	1,826	-	597	-
Bills of suspended banks on hand	-	78	-	-	-	-
Due from banks and bankers	9,510	38,920	-	-	14,511	8,611
<b>Total resources</b>	<b>196,899</b>	<b>730,348</b>	<b>94,940</b>	<b>-</b>	<b>101,506</b>	<b>199,074</b>

\* Free banks.

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	LIABILITIES.					
	Farmers and Drivers' Bank at Somers.*	Farmers and Manufacturers' Bank.	Farmers and Mechanics' Bank of Rochester.*	Farmers and Mechanics' Bank of Ogdensburg.*	Farmers and Mechanics' Bank of Genesee.*	Fort Plain Bank.*
Capital	\$111,150	\$300,000	\$30,000	-	\$51,456	\$100,000
Profits	5,453	20,548	390	-	1,390	9,017
Bank notes issued and in circulation	-	4,262	-	-	-	-
Registered notes issued and in circulation	55,484	241,208	63,900	-	31,797	76,398
Due treasurer of the State of New York	-	-	-	-	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	24,812	133,406	-	-	13,585	10,686
Due individuals	-	-	650	-	-	-
Due banks	-	30,923	-	-	3,091	2,971
Due Treasurer of the United States	-	-	-	-	185	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>196,899</b>	<b>730,348</b>	<b>94,940</b>	<b>-</b>	<b>101,506</b>	<b>199,074</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Fulton Bank.*	Genesee County Bank.*	Greenwich Bank.	Herkimer County Bank.	Highland Bank.	Hudson River Bank.
Loans and discounts	\$982,726	\$60,094	\$309,946	\$341,473	\$359,621	\$265,793
Loans and discounts to directors of the bank	152,620	7,129	18,459	27,870	27,933	41,024
Loans and discounts to brokers	22,390	-	2,800	-	-	-
Real estate	12,000	2,852	34,413	7,919	40,463	4,000
Bonds and mortgages	-	50,000	-	375	10,050	2,500
Stocks and promissory notes	253,021	25,000	11,941	-	4,500	-
Due from directors, other than for loans and discounts	-	2,690	-	1,902	-	4,150
Due from brokers, other than for loans and discounts	-	-	1,000	2,500	2,000	-
Bank fund	-	-	22,189	2,059	2,671	-
Loss and expense account	-	435	-	205	-	256
Overdrafts	-	29	-	-	-	6,993
Specie	121,916	4,180	30,360	8,626	11,179	8,475
Cash items	119,577	7	13,132	4,867	1,867	8,087
Bills of solvent banks on hand	25,266	893	10,266	6,735	5,637	8,087
Bills of suspended banks on hand	-	57	-	-	-	54
Due from banks and bankers	56,837	7,079	46,786	28,477	38,141	20,659
<b>Total resources</b>	<b>1,746,355</b>	<b>160,440</b>	<b>501,295</b>	<b>433,734</b>	<b>504,264</b>	<b>382,023</b>

\* Free banks.

	LIABILITIES.					
	Fulton Bank.*	Genesee County Bank.*	Greenwich Bank.	Herkimer County Bank.	Highland Bank.	Hudson River Bank.
Capital	\$600,000	\$100,000	\$200,000	\$200,000	\$200,000	\$150,000
Profits	37,775	2,346	11,061	19,170	18,996	15,589
Bank notes issued and in circulation	-	-	4,468	4,516	3,837	6,697
Registered notes issued and in circulation	234,413	47,155	114,921	156,345	188,712	128,794
Due treasurer of the State of New York	-	-	-	368	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	680,756	10,939	155,113	20,349	63,019	73,276
Due individuals	31,304	-	-	220	127	144
Due banks	162,056	-	15,730	3,734	29,572	7,522
Due treasurer of the United States - amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,746,355</b>	<b>160,440</b>	<b>501,295</b>	<b>433,734</b>	<b>504,264</b>	<b>382,023</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Hungerford's Bank.*	James' Bank.*	Jefferson County Bank.	Kingston Bank.	Kirkland Bank.*	Leather Manufacturers' Bank.
Assets and discounts	\$13,967	\$17,477	\$329,677	\$335,203	\$40,404	\$1,127,502
Assets and discounts to directors of the bank			4,550	12,000		76,576
Assets and discounts to brokers	2,800		2,500	23,704		800
Real estate		37,699	1,000	2,755	25,000	2,839
Loans and mortgages	59,500	28,000	21,103		25,000	
Loans and promissory notes from directors, other than for loans and discounts				2,000		
Loans from brokers, other than for loans and discounts				2,566		4,792
Canal fund		4,270			405	
Interest and expense account			471	6,333	4,686	147,888
Overdrafts	2,663		12,102	3,595	201	142,125
Dividends	877	30,211	2,327	2,379	1,721	29,725
Other items	1,683		5,606			
Assets of solvent banks on hand			183			57,705
Assets of suspended banks on hand	10,461	1,080	102,752	46,960	7,112	
Assets from banks and bankers						
<b>Total resources</b>	<b>91,952</b>	<b>118,738</b>	<b>482,274</b>	<b>437,498</b>	<b>105,687</b>	<b>1,589,954</b>

\* Free banks.

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	LIABILITIES.					
	Hungerford's Bank.*	James' Bank.*	Jefferson County Bank.	Kingston Bank.	Kirkland Bank.*	Leather Manufacturers' Bank.
Capital	\$10,000	\$65,699	\$200,000	\$200,000	\$50,000	\$600,000
Profits	3,018		28,809	12,701	2,344	55,597
Bank notes issued and in circulation			9,130	1,240		10,180
Registered notes issued and in circulation	56,318	53,039	185,556	167,738	44,936	257,556
Due treasurer of the State of New York						
Due commissioners of the canal fund						
Due depositors on demand	21,616		47,571	28,586	8,207	529,398
Due individuals			307	627		2,152
Due banks	998		10,899	6,605	200	135,070
Due treasurer of the United States						
Amount due not included under other heads						
<b>Total liabilities</b>	<b>91,952</b>	<b>118,738</b>	<b>482,274</b>	<b>437,498</b>	<b>105,687</b>	<b>1,589,954</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Lewis County Bank.*	Livingston County Bank.	Lockport Bank and Trust Company.*	Long Island Bank.*	LutherWright's Bank.*	Madison Co. Bank.
Loans and discounts -	\$121,337	\$224,034	\$110,055	\$579,307	\$154,784	\$174,360
Loans and discounts to directors of the bank	8,492	15,100	10,748	10,212	-	12,400
Loans and discounts to brokers	13,803	5,000	16,296	14,000	1,400	2,269
Real estate	8,437	-	197,474	14,995	14,674	9,686
Bonds and mortgages	-	-	170,900	150,000	56,000	20,000
Stocks and promissory notes	-	-	155	-	-	98
Due from directors, other than for loans and discounts	-	-	-	-	-	1,235
Due from brokers, other than for loans and discounts	500	-	-	-	-	-
Bank fund	26,462	-	2,032	1,789	89	1,411
Loss and expense account	1,035	4,791	65	76	180	1,594
Overdrafts	3,035	8,179	2,114	22,414	3,180	5,572
Specie	1,186	13,509	168	11,975	1,667	-
Cash items	1,832	8,545	2,271	11,595	10,101	998
Bills of solvent banks on hand	-	-	-	-	57	6
Bills of suspended banks on hand	-	-	-	-	-	-
Due from banks and bankers	24,129	49,152	2,716	81,732	12,081	56,017
<b>Total resources</b>	<b>210,243</b>	<b>328,312</b>	<b>514,999</b>	<b>898,418</b>	<b>254,216</b>	<b>285,649</b>

Doc. No. 226.

\* Free banks.

	LIABILITIES.					
	Lewis County Bank.*	Livingston County Bank.	Lockport Bank and Trust Company.*	Long Island Bank.*	LutherWright's Bank.*	Madison Co. Bank.
Capital	\$100,000	\$100,000	\$300,000	\$300,000	\$100,000	\$100,000
Profits	12,259	40,611	13,438	25,336	833	11,472
Bank notes issued and in circulation	2,315	5,932	-	-	-	4,893
Registered notes issued and in circulation	65,720	134,655	80,823	134,845	60,350	143,121
Due treasurer of the State of New York	-	-	32,060	-	4,705	-
Due commissioners of the canal fund	-	-	6,493	313,082	58,552	23,122
Due depositors on demand	922	32,481	7,505	512	9,149	1,380
Due individuals	9,025	6,000	70,016	88,343	20,026	1,659
Due banks	-	8,632	-	-	-	-
Due treasurer of the United States	-	-	4,661	36,297	-	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>210,243</b>	<b>328,312</b>	<b>514,999</b>	<b>898,418</b>	<b>254,216</b>	<b>285,649</b>

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\* Free banks.

Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Manhattan Company.	Mechanics' Bank.	Mechanics' Banking Association.*	Mechanics and Farmers' Bank.	Mechanics and Traders' Bank.	Merchants' Bank.†
Loans and discounts						
Loans and discounts to directors of the bank	\$1,784,142	\$2,666,850	\$497,724	\$635,969	\$421,827	\$2,683,935
Loans and discounts to brokers	158,081	111,383	33,963	91,705	22,976	78,200
Real estate	17,550	98,250	10,017	56,500	-	-
Bonds and mortgages	447,227	117,584	115,293	40,857	76,994	89,844
Stocks and promissory notes	39,759	21,481	75,436	62,296	-	-
Due from directors, other than for loans and discounts	611,036	308,109	447,495	136,603	-	503,032
Due from brokers, other than for loans and discounts	-	-	-	1,300	-	-
Bank fund	-	-	-	9,607	-	-
Loss and expense account	-	-	-	-	-	-
Overdrafts	5,462	-	7,371	-	-	13,543
Specie	-	1,311	-	129	362	2,292
Cash items	212,937	593,760	113,046	32,692	57,506	795,508
Bills of solvent banks on hand	216,096	2,993	1,338	29,318	14,329	888,956
Bills of suspended banks on hand	43,613	378,110	229,064	215,121	10,324	56,757
Due from banks and bankers	124,873	220,680	41,751	293,121	108,992	736,430
<b>Total resources</b>	<b>3,660,779</b>	<b>4,520,546</b>	<b>1,562,502</b>	<b>1,605,221</b>	<b>713,313</b>	<b>5,848,500</b>

\* Free banks. † The loans and discounts of this bank for February 1st were reported at \$2,720,291, and not \$3,720,291, as published. It was a typographical error; and there were others of less moment in the same table.

	LIABILITIES.					
	Manhattan Company.	Mechanics' Bank.	Mechanics' Banking Association.*	Mechanics and Farmers' Bank.	Mechanics and Traders' Bank.	Merchants' Bank.
Capital	\$2,050,000	\$1,440,000	\$632,000	\$442,000	\$200,000	\$1,490,000
Profits	80,670	196,321	34,574	195,192	16,082	202,998
Bank notes issued and in circulation	50,274	55,774	-	21,945	10,858	49,007
Registered notes issued and in circulation	-	399,505	320,207	176,785	129,301	283,790
Due treasurer of the State of New York	52,056	-	-	56,339	-	-
Due commissioners of the canal fund	201,429	-	-	473,578	289,869	2,206,975
Due depositors on demand	1,032,148	1,265,304	556,733	473,578	289,869	2,206,975
Due individuals	8,730	63,206	1,140	21,972	8,561	3,325
Due banks	145,250	365,149	17,846	217,418	58,631	858,654
Due treasurer of the United States	-	735,285	-	-	-	753,749
Amount due not included under other heads	40,219	-	-	-	-	-
<b>Total liabilities</b>	<b>3,660,779</b>	<b>4,520,546</b>	<b>1,562,502</b>	<b>1,605,221</b>	<b>713,313</b>	<b>5,848,500</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Merchants' Bank of Canandaigua.*	Merchants' Bank of Erie County.*	Merchants' Bank in Poughkeepsie.*	Merchants' Exchange Bank.	Merchants and Farmers' Bank of Ithaca.*	Merchants and Farmers' Bank of Putnam County.*
Loans and discounts	-	812,178	8160,890	81,395,938	87,020	887,753
Loans and discounts to directors of the bank	-	-	16,825	191,136	-	-
Loans and discounts to brokers	-	-	-	-	-	-
Real estate	-	-	7,000	22,274	15,458	-
Bonds and mortgages	-	-	-	-	21,271	-
Stocks and promissory notes	829,000	25,000	110,133	-	42,078	100,000
Due from directors, other than for loans and discounts	-	-	-	-	-	-
Due from brokers, other than for loans and discounts	-	-	-	-	-	-
Bank fund	-	-	-	-	-	-
Loss and expense account	-	-	2,518	6,578	-	400
Overdrafts	-	-	323	799	429	-
Specie	-	1,112	4,564	148,564	-	2,785
Cash items	-	-	-	124,452	-	750
Bills of solvent banks on hand	-	6,224	8,950	40,173	-	925
Bills of suspended banks on hand	-	-	-	-	-	-
Due from banks and bankers	-	-	19,646	212,527	46,340	10,320
<b>Total resources</b>	<b>29,000</b>	<b>44,515</b>	<b>330,843</b>	<b>2,142,445</b>	<b>132,598</b>	<b>202,934</b>

\* Free banks.

Doc. No. 226.

	LIABILITIES.					
	Merchants' Bank of Canandaigua.*	Merchants' Bank of Erie County.*	Merchants' Bank in Poughkeepsie.*	Merchants' Exchange Bank.	Merchants and Farmers' Bank of Ithaca.*	Merchants and Farmers' Bank of Putnam County.*
Capital	85,000	85,000	8144,100	8750,000	850,000	8100,000
Profits	-	1,218	6,803	82,729	8,923	1,750
Bank notes issued and in circulation	-	-	-	5,498	-	-
Registered notes issued and in circulation	24,000	25,000	106,293	315,114	35,300	98,481
Due treasurer of the State of New York	-	-	-	-	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	-	8,647	62,420	521,682	37,589	2,531
Due individuals	-	-	11,226	3,851	-	172
Due banks	-	-	-	463,570	785	-
Due treasurer of the United States	-	4,649	-	-	-	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>29,000</b>	<b>44,515</b>	<b>330,843</b>	<b>2,142,445</b>	<b>132,598</b>	<b>202,934</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.					
	Merchants and Mechanics' Bank.	Middletown Bank.*	Mohawk Bank.	Mohawk Valley Bank.*	Montgomery County Bank.	National Bank.
Loans and discounts	\$617,438	\$68,813	\$238,898	\$53,955	\$135,625	\$1,261,965
Loans and discounts to directors of the bank	51,032	12,280	11,519	10,417	14,375	104,988
Loans and discounts to brokers						
Real estate	20,761	4,026	36,052	100	2,053	31,097
Bonds and mortgages	7,477	46,500	7,582	64,630		1,259
Stocks and promissory notes	1,100	44,900		64,494		61,685
Due from directors, other than for loans and discounts					800	
Due from brokers, other than for loans and discounts						
Bank fund			3,300			
Loss and expense account		241	1,737	300	2,258	4,648
Overdrafts	820		2,181		472	
Specie	8,812	1,410	6,876	3,590	3,205	175,554
Cash items	17,396	3,946	978		1,024	143,884
Bills of solvent banks on hand	20,605		9,429	2,098	6,152	20,350
Bills of suspended banks on hand			195			
Due from banks and bankers	64,743	5,370	26,503	15,826	131,148	12,645
<b>Total resources</b>	<b>810,187</b>	<b>187,469</b>	<b>345,254</b>	<b>215,613</b>	<b>297,115</b>	<b>1,818,080</b>

\* Free banks.

	LIABILITIES.					
	Merchants and Mechanics' Bank.	Middletown Bank.*	Mohawk Bank.	Mohawk Valley Bank.*	Montgomery County Bank.	National Bank.
Capital	\$300,000	\$89,100	\$165,000	\$100,500	\$100,000	\$750,000
Profits	28,783	2,642	11,460	2,259	23,669	43,612
Bank notes issued and in circulation	1,421				4,617	10,363
Registered notes issued and in circulation	202,911	62,942	74,391	92,508	145,027	211,819
Due treasurer of the State of New York	40,325					
Due commissioners of the canal fund						
Due depositors on demand	78,330	31,416	79,403	20,033	22,999	695,200
Due individuals	30,000			252	802	8,872
Due banks	128,009	1,158	15,000			99,213
Due treasurer of the United States						
Amount due not included under other heads	407	210				
<b>Total liabilities</b>	<b>810,187</b>	<b>187,469</b>	<b>345,254</b>	<b>215,613</b>	<b>297,115</b>	<b>1,818,080</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued

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	RESOURCES.					
	New York Dry Dock Comp'ny.	New York State Bank.	New York Stock Bank.*	North River Bank.*	Ogdensburgh Bank.	Oliver Lee & Company's Bank.*
Loans and discounts	\$367,167	\$675,540	\$16,265	\$1,038,593	\$116,637	\$432,427
Loans and discounts to directors of the bank	21,500	45,784	-	85,061	25,418	-
Loans and discounts to brokers	-	76,066	-	43,117	-	-
Real estate	49,910	35,357	-	30,000	39,000	-
Bonds and mortgages	24,975	-	-	-	7,472	-
Stocks and promissory notes	2,529	153,617	76,322	612,865	-	110,000
Due from directors, other than for loans and discounts	-	-	-	-	2,468	1,866
Due from brokers, other than for loans and discounts	-	3,696	-	-	-	-
Bank fund	6,504	1,200	895	10,363	-	-
Loss and expense account	17,983	1,812	-	6,099	-	578
Overdrafts	13,586	18,359	1,302	121,145	3,920	8,008
Specie	14,284	18,531	-	191,906	359	-
Cash items	8,157	277,657	2,163	62,283	14,598	20,854
Bills of solvent banks on hand	-	-	-	-	-	-
Bills of suspended banks on hand	13,953	442,830	77	49,930	78,266	16,275
Due from banks and bankers	-	-	-	-	-	-
<b>Total resources</b>	<b>540,550</b>	<b>1,750,453</b>	<b>96,926</b>	<b>2,251,366</b>	<b>288,140</b>	<b>590,029</b>

\* Free banks.

	LIABILITIES.					
	New York Dry Dock Comp'ny.	New York State Bank.	New York Stock Bank.*	North River Bank.*	Ogdensburgh Bank.	Oliver Lee & Company's Bank.*
Capital	\$200,000	\$369,600	\$10,000	\$655,000	\$100,000	\$100,000
Profits	1,277	70,960	3,190	120,729	24,577	21,034
Bank notes issued and in circulation	3,986	30,170	-	-	5,170	-
Registered notes issued and in circulation	61,353	138,707	75,207	315,461	121,301	91,436
Due treasurer of the State of New York	-	-	-	-	-	10,502
Due commissioners of the canal fund	-	56,865	-	-	-	238
Due depositors on demand	23,376	196,941	1,310	666,412	37,019	107,286
Due individuals	384	-	4,618	736	40	20,000
Due banks	172	837,210	2,600	110,285	32	188,130
Due treasurer of the United States	-	-	-	382,742	-	-
Amount due not included under other heads	250,000	-	-	-	-	51,402
<b>Total liabilities</b>	<b>540,550</b>	<b>1,750,453</b>	<b>96,926</b>	<b>2,251,366</b>	<b>288,140</b>	<b>590,029</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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RESOURCES.

	Oneida Bank.	Onondaga County Bank.	Ontario Bank.	Ontario Branch Bank.	Otsego County Bank.	Palmyra Bank.*
Loans and discounts	\$533,368	\$314,139	\$322,292	\$325,366	\$227,626	\$18,897
Loans and discounts to directors of the bank	33,448	11,004	-	45,807	18,990	-
Loans and discounts to brokers	-	-	16,000	19,850	3,310	6,700
Real estate	56,141	29,723	5,476	-	-	8,500
Bonds and mortgages	5,899	29,003	-	-	-	-
Stocks and promissory notes	40,928	30,000	-	-	-	3,032
Due from directors, other than for loans and discounts	12,000	11,059	-	9,602	-	-
Due from brokers, other than for loans and discounts	26,000	-	-	2,863	-	46
Bank fund	-	-	-	83	263	-
Loss and expense account	686	5,090	357	83	-	31
Overdrafts	14,896	9,046	4,416	3,776	6,132	55
Specie	422	-	1,241	16	872	107
Cash items	6,814	19,228	5,965	6,180	3,103	-
Bills of solvent banks on hand	-	-	-	3	-	-
Bills of suspended banks on hand	-	-	-	63,650	34,227	-
Due from banks and bankers	149,002	44,415	56,846	-	-	-
<b>Total resources</b>	<b>879,609</b>	<b>482,711</b>	<b>412,595</b>	<b>477,199</b>	<b>294,526</b>	<b>37,370</b>

Doc. No. 226.

\* Free bank.

LIABILITIES.

	Oneida Bank.	Onondaga County Bank.	Ontario Bank.	Ontario Branch Bank.	Otsego County Bank.	Palmyra Bank.*
Capital	\$400,000	\$150,000	\$200,000	\$300,000	\$100,000	\$8,793
Profits	35,366	34,733	17,024	14,267	27,531	340
Bank notes issued and in circulation	3,116	6,986	4,504	-	4,482	-
Registered notes issued and in circulation	271,281	158,207	164,246	131,382	135,516	14,353
Due treasurer of the State of New York	-	5,799	-	-	-	-
Due commissioners of the canal fund	-	798	-	-	-	-
Due depositors on demand	164,691	98,532	26,819	24,428	24,554	12,696
Due individuals	682	14,472	-	14	1,729	-
Due banks	4,472	13,181	-	7,107	713	189
Due treasurer of the United States	-	-	-	-	-	-
Amount due not included under other heads	-	-	-	-	-	-
<b>Total liabilities</b>	<b>879,609</b>	<b>482,711</b>	<b>412,595</b>	<b>477,199</b>	<b>294,526</b>	<b>37,370</b>

\* Free bank.

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Statement of the condition of the banks of the State of New York—Continued.

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	RESOURCES.					
	Patchin Bank.*	Phenix Bank.	Pine Plains Bank.*	Powell Bank.*	Prattsville Bank.*	Rochester City Bank.
Loans and discounts		\$1,571,183	\$79,990	\$113,401	\$161,733	\$495,717
Loans and discounts to directors of the bank		67,284	7,268	-	-	24,257
Loans and discounts to brokers		130,143	34,200	49,000	-	149,504
Real estate		393,425	90,573	84,517	100,000	43,935
Bonds and mortgages		19	-	-	-	21,767
Stocks and promissory notes		-	-	-	-	3,880
Due from directors, other than for loans and discounts		8,778	-	2,280	-	6,000
Due from brokers, other than for loans and discounts		1,423	21	952	60	1,662
Bank fund		219,079	4,055	6,514	2,194	11,420
Loss and expense account		504,027	340	833	936	1,306
Overdrafts		43,975	6,751	1,140	468	8,348
Specie		-	-	-	-	76,330
Cash items		75,284	22,242	17,113	-	-
Bills of solvent banks on hand		-	-	-	-	-
Bills of suspended banks on hand		-	-	-	-	-
Due from banks and bankers		-	-	-	-	-
<b>Total resources</b>		<b>3,014,626</b>	<b>245,541</b>	<b>275,753</b>	<b>265,393</b>	<b>845,369</b>

Doc. No. 226.

\* Free banks.

	LIABILITIES.					
	Patchin Bank.*	Phenix Bank.	Pine Plains Bank.*	Powell Bank.*	Prattsville Bank.*	Rochester City Bank.
Capital		\$1,200,000	\$100,000	\$97,500	\$100,000	\$400,000
Profits		154,668	25,092	9,686	31,125	25,691
Bank notes issued and in circulation		5,956	-	-	-	1,239
Registered notes issued and in circulation		413,911	83,423	90,991	95,523	271,883
Due treasurer of the State of New York		-	-	-	-	5,921
Due commissioners of the canal fund		-	-	-	-	2,081
Due depositors on demand		772,115	36,196	72,456	17,368	89,645
Due individuals		2,256	-	-	-	-
Due banks		465,717	829	5,118	21,376	48,908
Due treasurer of the United States		-	-	-	-	-
Amount due not included under other heads		-	-	-	-	-
<b>Total liabilities</b>		<b>3,014,626</b>	<b>245,541</b>	<b>275,753</b>	<b>265,393</b>	<b>845,369</b>

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\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.					
	Sackett's Harbor Bank.	Saratoga Cou'ty Bank.	Schenectady Bank.	Seneca County Bank.	Seventh Ward Bank.	Steuben County Bank.
Loans and discounts	\$283,437	\$219,525	\$285,120	\$279,440	\$830,875	\$327,984
Loans and discounts to directors of the bank	39,081	9,512	4,245	36,350	96,791	9,417
Loans and discounts to brokers	-	-	275	-	2,771	-
Real estate	8,453	19,048	9,246	11,732	4,600	33,382
Bonds and mortgages	7,030	2,349	-	57,484	27,000	-
Stocks and promissory notes	800	-	-	3,275	7,974	-
Due from directors, other than for loans and discounts	-	-	-	7,118	-	-
Due from brokers, other than for loans and discounts	-	-	-	-	-	9,308
Bank fund	11,000	1,500	1,687	3,600	-	-
Loss and expense account	-	1,279	225	112	6,457	1,486
Overdrafts	252	150	248	1,399	863	75
Specie	8,138	3,938	9,111	3,626	106,848	8,497
Cash items	731	2,934	5,859	1,899	49,616	215
Bills of solvent banks on hand	4,373	4,070	5,502	885	21,330	553
Bills of suspended banks on hand	-	45	-	-	-	-
Due from banks and bankers	67,489	38,658	16,907	28,335	29,994	12,395
<b>Total resources</b>	<b>430,787</b>	<b>303,012</b>	<b>338,929</b>	<b>435,259</b>	<b>1,188,141</b>	<b>402,314</b>

	LIABILITIES.					
	Sackett's Harbor Bank.	Saratago Cou'ty Bank.	Schenectady Bank.	Seneca County Bank.	Seventh Ward Bank.	Steuben County Bank.
Capital	\$200,000	\$100,000	\$150,000	\$200,000	\$500,000	\$150,000
Profits	24,464	12,426	9,238	16,668	29,686	49,505
Bank notes issued and in circulation	3,129	5,067	-	1,330	5,075	4,909
Registered notes issued and in circulation	179,335	135,653	97,605	184,638	235,245	154,664
Due treasurer of the State of New York	-	-	-	4,713	-	-
Due commissioners of the canal fund	-	-	-	-	-	-
Due depositors on demand	22,020	48,042	79,966	25,638	394,983	141,682
Due individuals	-	793	482	-	954	-
Due banks	1,839	410	1,637	2,272	22,197	11,554
Due treasurer of the United States	-	-	-	-	-	-
Amount due not included under other heads	-	620	-	-	-	-
<b>Total liabilities</b>	<b>430,787</b>	<b>303,012</b>	<b>338,929</b>	<b>435,259</b>	<b>1,188,141</b>	<b>402,314</b>

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Statement of the condition of the banks of the State of New York--Continued.

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	RESOURCES.				
	Suffolk County Bank.*	Tanners' Bank.	Tompkins County Bank.	Tradesmen's Bank.	Troy City Bank.
Loans and discounts -	\$20,149	\$200,465	\$350,444	\$324,153	\$649,248
Loans and discounts to directors of the bank	-	13,505	86,586	89,333	79,524
Loans and discounts to brokers	-	20,711	-	-	-
Real estate	-	5,500	32,156	24,000	14,300
Bonds and mortgages	-	-	23,569	-	-
Stocks and promissory notes	74,250	-	500	1,700	20,350
Due from directors, other than for loans and discounts	-	-	-	-	-
Due from brokers, other than for loans and discounts	-	37,653	-	-	-
Bank fund	-	-	6,250	-	-
Loss and expense account	1,497	3,000	902	3,019	-
Overdrafts	-	-	1,480	313	38
Specie	2,321	4,519	6,269	90,945	7,635
Cash items	1,352	4,941	5,480	23,095	2,301
Bills of solvent banks on hand	1,330	5,032	5,004	14,475	23,388
Bills of suspended banks on hand	-	-	-	-	-
Due from banks and bankers	-	25,765	41,597	61,834	137,884
<b>Total resources</b>	<b>100,902</b>	<b>321,125</b>	<b>560,271</b>	<b>1,132,869</b>	<b>934,871</b>

Doc. No. 226.

\* Free bank.

	LIABILITIES.				
	Suffolk County Bank.*	Tanners' Bank.	Tompkins County Bank.	Tradesmen's Bank.	Troy City Bank.
Capital	\$10,000	\$100,000	\$250,000	\$400,000	\$300,000
Profits	645	29,128	13,597	80,386	35,372
Bank notes issued and in circulation	-	4,369	3,096	9,743	3,449
Registered notes issued and in circulation	72,475	119,922	203,759	209,824	199,372
Due treasurer of the State of New York	-	-	5,259	-	-
Due commissioners of the canal fund	-	-	-	-	-
Due depositors on demand	15,662	64,180	51,650	399,173	129,813
Due individuals	-	573	520	1,962	526
Due banks	-	1,438	32,388	32,779	266,337
Due treasurer of the United States	1,119	1,513	-	-	-
Amount due not included under other heads	-	-	-	-	-
<b>Total liabilities</b>	<b>100,902</b>	<b>321,125</b>	<b>560,271</b>	<b>1,132,869</b>	<b>934,871</b>

Doc. No. 226.

\* Free bank.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.				
	Ulster County Bank.	Unadilla Bank.*	Union Bank.	Warren County Bank.*	Washington County Bank.*
Loans and discounts	\$233,378	\$58,000	\$1,845,391	\$79,321	\$61,938
Loans and discounts to directors of the bank	3,571	-	65,028	-	2,133
Loans and discounts to brokers	-	-	132,400	-	-
Real estate	6,795	-	75,000	-	36,017
Bonds and mortgages	-	58,000	2,932	90,000	63,500
Stocks and promissory notes	-	-	-	-	-
Due from directors, other than for loans and discounts	-	-	-	9,180	-
Due from brokers, other than for loans and discounts	-	-	-	-	-
Bank fund	-	-	-	613	3,498
Loss and expense account	1,575	-	-	-	150
Overdrafts	3	-	492	-	-
Specie	6,030	500	349,848	291	2,371
Cash items	2,000	-	555,587	1,573	-
Bills of solvent banks on hand	3,785	474	30,606	-	3,281
Bills of suspended banks on hand	-	-	569	-	9
Due from banks and bankers	23,406	-	176,769	-	34,378
<b>Total resources</b>	<b>280,726</b>	<b>116,974</b>	<b>3,234,647</b>	<b>180,980</b>	<b>207,278</b>

\* Free banks.

	LIABILITIES.				
	Ulster County Bank.	Unadilla Bank.*	Union Bank.	Warren County Bank.*	Washington County Bank.*
Capital	\$100,000	\$58,000	\$1,000,000	\$90,000	\$102,000
Profits	16,478	667	297,619	980	17,506
Bank notes issued and in circulation	3,163	-	24,350	-	-
Registered notes issued and in circulation	111,752	58,000	404,655	90,000	54,003
Due treasurer of the State of New York	-	-	-	-	-
Due commissioners of the canal fund	-	-	-	-	-
Due depositors on demand	44,393	100	1,226,663	-	31,535
Due individuals	468	207	44,002	-	2,129
Due banks	4,471	-	327,356	-	-
Due treasurer of the United States	-	-	-	-	-
Amount due not included under other heads	-	-	-	-	103
<b>Total liabilities</b>	<b>280,726</b>	<b>116,974</b>	<b>3,234,647</b>	<b>180,980</b>	<b>207,278</b>

\* Free banks.

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Statement of the condition of the banks of the State of New York—Continued.

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Doc. No. 226.

	RESOURCES.				
	Westchester County Bank.	White's Bank of Buffalo.*	White Plains Bank.*	Wooster Sherman's Bank.*	Yates County Bank.
Loans and discounts	\$326,439	\$95,807	\$32,252	\$31,411	
Loans and discounts to directors of the bank	39,073				
Loans and discounts to brokers					
Real estate	25,226	12,125		11,250	
Bonds and mortgages	7,931	4,758	14,000	15,475	
Stocks and promissory notes	10,750	27,000	18,252	15,047	
Due from directors, other than for loans and discounts					
Due from brokers, other than for loans and discounts	2,008	1,168			
Bank fund	2,000				
Loss and expense account			200		
Overdrafts	712	1,064			
Specie	8,626	2,533	2,000	1,023	
Cash items	6,059			58	
Bills of solvent banks on hand	4,030	8,515		61	
Bills of suspended banks on hand					
Due from banks and bankers	18,599	9,041		10,666	
<b>Total resources</b>	<b>451,459</b>	<b>162,013</b>	<b>66,704</b>	<b>84,992</b>	

\* Free banks.

	LIABILITIES.				
	Westchester County Bank.	White's Bank of Buffalo.*	White Plains Bank.*	Wooster Sherman's Bank.*	Yates County Bank.
Capital	\$200,000	\$40,000	\$34,252	\$20,000	
Profits	11,312	9,542	200	2,117	
Bank notes issued and in circulation	4,359				
Registered notes issued and in circulation	167,023	26,837	32,252	30,079	
Due treasurer of the State of New York		5,251			
Due commissioners of the canal fund					
Due depositors on demand	58,764	58,627		7,596	
Due individuals					
Due banks	10,000	21,755		15,057	
Due treasurer of the United States					
Amount due not included under other heads				10,141	
<b>Total liabilities</b>	<b>451,459</b>	<b>162,013</b>	<b>66,704</b>	<b>84,992</b>	

\* Free banks.

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Reconciliation of the condition of the banks of the State of New York.

	RESOURCES.	Amount.
Loans and discounts	866,807,739	
Loans and discounts to directors of the bank	4,576,216	
Loans and discounts to brokers	3,907,475	
Real estate	3,515,963	
Bonds and mortgages	3,033,619	
Stocks and promissory notes	10,939,417	
Due from directors, other than for loans and discounts	37,403	
Due from brokers, other than for loans and discounts	417,230	
Bank fund	172,944	
Loss and expense account	363,821	
Overdrafts	134,722	
Specie	8,171,624	
Cash items	5,839,700	
Bills of solvent banks on hand	2,851,351	
Bills of suspended banks on hand	5,162	
Due from banks and bankers	*8,860,515	
Total for 151 banks (3 of which not reporting) and 2 branches	†116,993,993	
LIABILITIES.		
Capital	\$12,829,014	
Profits	5,115,430	
Bank notes issued and in circulation	824,806	
Registered notes issued and in circulation	19,991,996	
Due treasurer of the State of New York	291,963	
Due commissioners of the canal fund	354,364	
Due depositors on demand	30,568,377	
Due individuals	832,373	
Due banks	11,823,764	
Due treasurer of the United States	3,493,622	
Amount due not included under other heads	4349,553	
Total for 151 banks (3 of which not reporting) and 2 branches	\$116,993,993	

\* 519 added for cents.  
† 265 added for cents.  
‡ 76 added for cents.  
§ 70 added for cents.

Summary of the items of capital, circulation, and deposits, specie and cash items, public securities and private securities, of the banks of the State of New York, on the morning of the first day of May, 1846.

Capital	\$824,506	\$12,829,014
Circulation (old emission)	19,991,996	
Circulation (registered notes)		20,516,492
Deposites	8,171,624	30,868,377
Specie	5,839,700	
Cash items		14,011,324
Public securities		10,989,417
Private securities		76,914,306

CONTROLLER'S OFFICE, Albany, May 19, 1846.

The preceding statement is an abstract of the quarterly reports made to this office by the several incorporated banks, banking associations, and private bankers, in pursuance of the third and fourth sections of the act entitled "An act to abolish the office of bank commissioner, and for other purposes," passed April 18, 1843.

A. O. FLAGG, Comptroller.

Synopsis of the condition of the banks of New York from December, 1841, to November, 1843.

	Number of banks, 102.	Number of banks, 107.	Number of banks, 129.	Number of banks, 129.
	December, 1841.	January 1, 1843.	August 1, 1843.	November 1, 1843.
Loans and discounts	\$56,338,685	\$52,348,467	\$58,845,084	\$62,392,373
Real estate	5,790,057	3,863,725	4,063,595	4,081,656
Stocks	8,182,629	12,446,083	12,330,987	11,665,311
Overdraft	145,921	87,328	98,639	105,947
Expenses and personal estate	592,294	948,738	554,617	639,238
Bank fund	790,442	770,372	527,766	389,392
Specie	5,471,694	8,477,076	14,091,779	11,502,789
Notes of other banks	5,809,598	4,888,987	4,906,792	4,033,105
Checks and cash items	1,634,472	2,273,131	2,735,417	3,102,856
Funds in New York and Albany	3,567,141	3,214,394	11,728,808	9,701,067
Due from other banks	5,394,678	4,485,650	3,664,870	3,772,037
Bonds and mortgages	14,559,993	12,031,871	14,520,843	17,213,101
Circulation	17,186,527	19,100,415	24,679,230	27,387,160
Deposites	288,818	326,707		
Deposites on debts	286,673	213,411		
Dividend unpaid	1,631,498	1,495,868	741,392	1,157,203
Due canal fund	9,702,055	12,072,679	21,340,748	14,542,143
Due to other banks	45,283,453	43,950,137	43,019,577	43,369,152
Capital	4,641,302	4,120,699	4,011,923	4,144,254
Profits			231,517	228,951
Notes of suspended banks			531,762	963,198
Due treasurer of the State			4,033,385	1,645,320
Due treasurer of the United States			316,453	587,871
Due individuals			570,276	505,320
Amount due, not included above				

Synopsis of the condition of the banks of New York from February, 1844, to February, 1846.

RESOURCES.

	142 banks.	140 banks and 2 branches.	147 banks and 2 branches.	148 banks and 2 branches.	148 banks and 2 branches.
	February 1, 1844.	May 1, 1844.	August 1, 1844.	November 1, 1844.	February 1, 1845.
Loans and discounts	\$58,444,293	\$62,669,119	\$64,464,928	\$65,925,879	\$60,185,564
Loans and discounts to directors of the bank	4,330,425	4,355,364	4,326,962	4,258,168	4,482,720
Loans and discounts to brokers	2,644,044	3,136,585	2,832,039	2,907,749	2,214,814
Real estate	4,072,661	4,008,961	3,972,501	3,957,903	3,894,778
Bonds and mortgages	3,750,784	3,521,239	3,282,724	3,419,624	3,279,373
Stocks and promissory notes	11,052,458	10,362,330	10,648,211	10,773,678	10,244,043
Due from directors of the bank, other than loans and discounts	30,038	26,525	28,428	74,933	38,298
Due from brokers, other than loans and discounts	825,350	663,317	509,078	779,171	592,685
Bank fund	335,191	341,351	317,701	321,105	290,977
Loss and expense account	580,360	666,891	667,487	698,775	623,931
Overdrafts	105,913	155,709	102,433	112,194	95,124
Specie	10,086,542	9,455,161	10,191,974	8,968,092	6,893,236
Cash items	4,502,479	5,999,952	4,916,862	6,047,528	4,899,886
Bills of solvent banks on hand	2,275,172	3,148,421	2,511,326	2,368,467	2,387,008
Bills of suspended banks on hand	233,025	228,500	230,703	136,570	209,851
Due from banks and bankers	10,267,207	8,817,179	8,359,328	8,767,513	7,684,850
<b>Total resources</b>	<b>113,536,652</b>	<b>117,556,604</b>	<b>117,362,775</b>	<b>119,407,349</b>	<b>107,956,166</b>

LIABILITIES.

	142 banks.	140 banks and 2 branches.	147 banks and 2 branches.	148 banks and 2 branches.	148 banks and 2 branches.
	February 1, 1844.	May 1, 1844.	August 1, 1844.	November 1, 1844.	February 1, 1845.
Capital	\$43,649,887	\$43,462,311	\$43,443,005	\$43,618,607	\$43,674,146
Profits	3,758,082	3,989,472	4,061,233	4,413,330	4,331,256
Bank-notes issued and in circulation	3,146,180	1,943,722	1,437,936	1,219,897	1,101,872
Registered bank-notes in circulation	13,189,221	16,421,309	16,653,368	18,932,412	17,411,530
Due treasurer of the State of New York	927,289	643,983	750,495	687,257	561,056
Due commissioner of canal fund	1,483,843	1,506,167	1,219,794	1,534,553	1,607,572
Due depositors on demand	29,026,415	30,742,289	28,757,192	30,391,632	25,976,246
Due individuals	592,038	672,936	726,554	802,918	603,234
Due banks	15,610,654	15,467,494	16,102,922	14,431,103	11,501,102
Due treasurer of the United States	1,683,551	2,238,083	3,673,171	2,786,261	700,064
Amount due and not included under other heads	493,592	528,838	546,155	589,449	488,060
<b>Total liabilities</b>	<b>113,536,652</b>	<b>117,556,604</b>	<b>117,362,775</b>	<b>119,407,349</b>	<b>107,956,166</b>

Synopsis of the condition of the banks of New York, &c.—Continued.

RESOURCES.

	148 banks and 2 branches.				
	May 1, 1845.	August 1, 1845.	November 1, 1845.	February 1, 1846.	May 1, 1846.
Loans and discounts	\$63,673,970	\$64,024,748	\$69,164,861	\$66,610,238	\$66,807,739
Loans and discounts to directors of the bank	4,480,682	4,447,822	4,157,716	4,280,932	4,876,216
Loans and discounts to brokers	2,714,434	1,706,636	1,457,858	1,006,410	907,476
Real estate	3,792,198	3,585,771	3,645,684	3,629,471	3,515,936
Bonds and mortgages	3,256,098	3,199,675	3,181,746	3,105,743	3,033,610
Stocks and promissory notes	10,066,904	10,800,616	10,962,822	11,150,464	10,989,417
Due from directors of the bank, other than loans and discounts	35,681	68,794	33,298	3,995	37,403
Due from brokers, other than loans and discounts	383,870	457,888	363,278	546,015	417,200
Bank fund	254,977	244,477	236,268	187,937	172,944
Loss and expense account	623,160	408,199	425,584	382,690	380,821
Overdrafts	101,125	158,709	133,242	125,599	134,722
Specie	8,118,324	8,909,527	8,884,545	8,361,383	8,171,624
Cash items	6,180,852	4,754,885	5,947,585	6,370,362	5,839,700
Bills of solvent banks on hand	2,512,474	2,488,177	2,258,862	2,503,174	2,851,351
Bills of suspended banks on hand	132,066	72,284	14,482	15,423	5,162
Due from banks and bankers	7,534,240	7,791,998	9,534,166	10,181,277	8,850,645
<b>Total resources</b>	<b>113,881,255</b>	<b>113,120,266</b>	<b>120,401,997</b>	<b>118,463,602</b>	<b>116,994,993</b>

LIABILITIES.

	148 banks and 2 branches.				
	May 1, 1845.	August 1, 1845.	November 1, 1845.	February 1, 1846.	May 1, 1846.
Capital	\$43,555,228	\$43,063,627	\$42,845,428	\$42,256,499	\$42,829,014
Profits	4,509,038	4,606,006	5,016,043	4,962,729	5,115,450
Bank-notes issued and in circulation	1,027,946	929,295	881,404	854,442	824,506
Registered bank-notes in circulation	18,553,597	17,535,115	20,493,965	20,071,888	19,991,986
Due treasurer of the State of New York	678,220	601,601	631,063	342,074	291,964
Due commissioner of canal fund	1,257,358	1,231,240	1,581,330	896,848	354,364
Due depositors on demand	28,425,967	27,636,520	31,773,991	29,654,401	30,868,377
Due individuals	629,023	630,547	759,259	701,966	852,373
Due banks	12,965,232	13,962,146	12,829,854	14,483,350	11,823,784
Due treasurer of the United States	1,707,770	2,340,753	3,002,649	2,580,711	3,493,622
Amount due and not included under other heads	571,876	583,416	585,011	598,420	549,553
<b>Total liabilities</b>	<b>113,881,265</b>	<b>113,120,266</b>	<b>120,401,997</b>	<b>118,463,602</b>	<b>116,994,993</b>