

she was prevailed on to convey to her said husband; that as soon as he became possessed of said estate, he executed a will whereby he gave the said estate to the petitioner for life, and at her death to be divided between a certain Dinah E. Wren, and his two daughters, the issue of a former marriage, who are aliens and still reside in England; and therefore praying that the Commonwealth's right to so much of said real estate as was devised to aliens, may be released to the petitioner, is reasonable.

The said resolution being twice read, was, on the question put thereupon, agreed to by the House.

*Ordered*, That a bill be brought in conformably therewith; and that the committee for Courts of Justice do prepare and bring in the same.

Mr. Magill, from the same committee to which the bill, "divorcing Martha Burnett from her husband Jeremiah Burnett," was committed, reported the same with an amendment, which, being twice read, was, on the question put thereupon, disagreed to by the House.

*Ordered*, That the said bill be engrossed and read a third time.

The Speaker laid before the House a further letter from the Governor, inclosing the report and resolution of the Board of Public Works, concerning the Falls Bridge Turnpike Company.

On motion, *Ordered*, That the Governor's letter be laid upon the table, and the said report be referred to the committee of Roads and Internal Navigation.

On motion of Mr. Johnson of Petersburg, the resolution of the committee of Propositions and Grievances upon the petition of sundry inhabitants of the county of Prince George, was taken up, and the question being put thereupon, was agreed to by the House.

*Ordered*, That a bill be brought in conformably therewith, and that the committee of Propositions and Grievances do prepare and bring in the same.

The Speaker laid before the House a further letter from the Governor, inclosing a statement from the Northwestern Bank of Virginia, which were read as follows:

COUNCIL CHAMBER, Dec. 21, 1819.

SIR—I have the honor to lay before the General Assembly the enclosed statement received from the cashier of the Northwestern Bank of Virginia, verified in due form, and exhibiting a view of the state of that bank upon the 1st day of December, 1819.

I have the honor to be, with high respect, yours, &c.

TH: M. RANDOLPH.

*The Honorable the Speaker of the House of Delegates.*

*State of the Northwestern Bank of Virginia, December 1st, 1819.*

Bills discounted (§ 3000 in suit)	\$ 135,463 74	Capital stock paid in	\$ 154,770 00
Real estate	3,000 00	Notes in circulation	28,785 00
Debts due from other banks	15,778 13	Discount received	4,006 45
Expense	680 51	Profit and loss	749 32
Specie on hand	43,020 73	Due from other banks	98 75
Notes of other banks	10,861 74	Money of depositors	20,395 33
	<u>\$ 208,804 85</u>		<u>\$ 208,804 85</u>

(E. E.)

T. WOODS, *Cashier.*

Ohio County, to wit:

Personally appeared before me, a justice of the peace for the said county, Thos. Woods, cashier of the Northwestern Bank of Virginia, and made oath that the statements herewith are true.

CHARLES D. KNOX.

*Wheeling, December 3rd, 1819.*

On motion, *Ordered*, That the said letter, with the accompanying statement, be laid upon the table.

A petition of Charles Cousins, a free man of color, praying that a law may pass permitting his wife Aggy to remain in this state as a free person, when he shall have emancipated her, and that she be called by the name of Aggy Cousins, was taken up and read.

*Ordered*, That the said petition be referred to the committee for Courts of Justice; that they do examine the matter thereof, and report their opinion thereupon to the House.

And then the House adjourned until to-morrow twelve o'clock.

# APPENDIX.

## DOCUMENTS

*Which accompanied the Report of the Select Committee, on the subject of the complaints against the Directors of the Branch of the Farmers' Bank of Virginia, at Lynchburg.*

(A.)

*Resolved, That the President and Directors of the Office of Discount and Deposit of the Farmers' Bank of Virginia at Lynchburg, be required with as little delay as possible, to lay before this Committee the original minutes of their proceedings since the 10th day of January last.*

(B.)

*Resolved, That the Cashier of the Office of Discount and Deposit of the Farmers' Bank of Virginia at Lynchburg, be required, with as little delay as possible, to prepare and lay before this Committee, a statement shewing the total amount of bills receivable, discounted at said office, and outstanding at the several dates following, viz: 1st April, 1818—1st June, 1818—1st August, 1818—1st October 1818, and the 1st December, 1818; shewing also, what proportion of the total amount of bills discounted and outstanding, at the several dates aforesaid, was payable by persons who were then directors of said office; and what proportion payable by persons who were neither directors nor residents of the town of Lynchburg; distinguishing also, under each head, at the said several dates, the proportion or amount of what is commonly called old accommodation paper, or paper originally discounted, previous to the year 1815. And that the said cashier annex to the aforesaid statement, his own affidavit, stating that the same is full, fair, just, and true, so far as he knows or believes.*

(C.)

FARMERS' BANK, LYNCHBURG, JANUARY 3d, 1819.

W. C. RIVES, Esq.

*Chairman of the Committee, &c.*

SIR—Your favour of the 28th ultimo has this instant, at 9 o'clock, been put into my hands. I regret extremely, that the short notice renders it impossible to furnish the statements required of me, so as to be in Richmond by the 4th inst. at which time, I understand they are wanting. I have but little doubt it would require from one to two weeks to furnish accurate statements.

To obviate any difficulty that may on that score arise, I have forwarded by Mr. Taliaferro, the book from which such statements would be taken; flattering myself that the object of the Committee will be answered in that way. I have also forwarded the original minutes of the Board of Directors.

I remain, Sir, respectfully,

Your obedient servant,

DAVIDSON BRADFUTE, *Cashier.*

(D.)

Amount of town accommodation, 1st April, 1818,	\$ 338,956
Do. country, " " "	111,044
Do. town and country real paper and drafts in Richmond,	145,695 74
	\$ 595,695 74

Country,	\$ 42,352 74
Town,	103,343 00
	\$ 145,695 74

(See state of the bank, page 424.)

Amount of town paper on the 1st Dec. 1818, including drafts on Richmond,	\$ 435,123 92
Do. of country paper,	123,910 95
	\$ 559,034 87

(See State of the bank, page 335.)

Amount of accommodation in the county of Amherst, and not including the accounts of individuals living immediately in the vicinity of the town,	27,166 33
Amount in the county of Nelson,	14,705 00
Do. " " Bedford,	19,020 00

The time required to make out a statement shewing the amount of the country debt on the 1st of April, 1818—June, August, October and December, being too short it is thought that a statement shewing the amount of the country debt on the first of April, the time when the country dealers were called on, and the amount of the same on the 1st December, when they had paid the amount so called for, will be satisfactory.

From the examination of the books, I am well satisfied if the statements were made shewing the amount of the country debt on the first June, August and October, as required by the resolution of the Committee, that it would not vary, but in a very small proportion, from the statement made shewing the amount on the first of April and December.

(E.)

State of the Bank at the different dates, i. e. from 1st April 1818, till 1st December, 1818, inclusive.

Town,	1st June, 1818,	\$ 492,527 10	Town,	1st October, 1818,	\$ 408,459 24
COUNTRY,	" "	153,702 82	COUNTRY,	" "	127,562 43
		\$ 646,229 92			\$ 536,021 67
Town,	1st August, 1818,	\$ 434,645 65	1st April,	} Given before.	
COUNTRY,	" "	146,913 61	1st December,		
		\$ 581,559 26			

(F.)

The President of the Farmers' Bank at Lynchburg having admitted, in lieu of that part of the resolution heretofore adopted by this Committee, requiring the cashier to furnish a statement shewing the amount of the old accomodation paper due the bank in the year 1815, and unpaid on the 1st of April 1818, discriminating between the paper due from the town and country, that the memorialists were at liberty to assume any part of the debt of the Bank to be old accomodation paper that they thought proper; and also, it appearing from the representation of the cashier, that this statement could not be accurately made out; arising from the circumstance that no discrimination has been made on the books of the bank that would guide him in making such statement:

Resolved, therefore, as the opinion of this Committee, That so much of the said resolution requiring the statement aforesaid, be and is hereby dispensed with.

(1.)

**A STATEMENT of evidence taken before the Committee appointed to enquire into the conduct of the Directors of the Farmers' Bank of Virginia, at Lynchburg.—Mr. Tulliaferro, Teller of the said Bank.**

Question, Where is the offering book of said bank at this time? Answer, In Lynchburg. Q. Why was it not brought here? A. I do not know. Q. When was the interlineation of the order of the Board of the Directors of the date of 10th April, 1818, made? A. On Saturday last, by Davidson Bradfute. Q. Was it done after the messengers from the House of Delegates arrived in Lynchburg? A. It was done after I informed him of it; I saw the book on Saturday when it was not made, and on Sunday I found it made. Q. Was there such an order as the one purporting to have been made by said interlineation? A. I understood there was, and always supposed the order to have been regularly entered in the proceedings of the Board until Q. Acting under this regulation, which you say you understood was an order of the Board, have the calls on persons residing in the country been made indiscriminately on all? A. They were not. Q. Can you assign any reason for this partiality? A. I can assign none. Q. Was there any call on the town at that time? A. I did not understand that there was. Q. Can you tell us of any and what number of persons in the country, in whose favour this discrimination was made? A. Q. Was Thomas S. McClelland called on? A. He was not—Mr. McClelland has made payments and reduced his debt without a special call. Q. Was John Warwick called on? A. He was not. Q. Was Garland called on? A. He was not. Q. What were the reasons? A. I know none. Q. Who was Warwick's endorser? A. Hill Carter. Q. Was Mr. Carter called on? A. He was. Q. Who were his endorsers? A. John Warwick and Doctr. William B Hare. Q. Who was Spottswood Garland's endorser? A. I believe Mr. L. Cabell was. Q. Was Edward Winston called on? A. He was not. Q. Who were his endorsers? A. I believe Dr. George Cabell was. Q. Who was Mr. McClelland's endorser? A. He had different endorsers at different times. Q. Who were his endorsers when this call was made. A. I cannot recollect. Q. Was Elias Wells called on? A. I believe he was not. Q. Were William Duncan and Leo. Hinley required to pay up their debts? A. They were. Q. Was Benjamin Tulliaferro, their neighbour, required to pay up? A. He was not. Q. Were F. and John Eubank required to pay up? A. They were. Q. Who was the endorser of E. Wells? A. At different times he had different endorsers—Richard Harrison and John M. Suttle, & Co. sometimes. Q. Was Richard Harrison required to pay? A. Not at the time the call was made. Q. Has he been required since? A. I believe he has. (The witness stated as a reason why he believed he was not called on when the other calls were made, that he was engaged in the milling business.) Q. Why has he been called on since? A. That in his transactions in Richmond he got checks from the Farmers' Bank here, and deposited them in the Virginia Bank in Lynchburg. Q. Did that create a specie demand in favour of the Virginia Bank against the Farmers' Bank? A. It did. Q. Was that the only reason? A. The only one I know of. Q. Would not the Farmers' Bank at Lynchburg purchase checks on the Virginia Bank, if any opportu-

nity offered? *A.* They would not. *Q.* Is that to afford accommodation to individuals or to get a claim on the Virginia Bank? *A.* To get a claim on bank. *Q.* Was there any thing of the Directors wishing to put their fingers on Mr. H. because of his executing the memorial? *A.* Not that I know of. *Q.* Who were Richard Harrison's endorsers? *A.* I believe they were Elias Wells and John M. Suttle, & Co. *Q.* Has John M. Suttle, or John M. Suttle, & Co. been called on to pay? *A.* No. *Q.* Have they not always been in the habit of making deposits in the Virginia Bank? *A.* They have not. *Q.* Are they not at this time? *A.* At this time, I believe they make no deposits in the Farmers' Bank. *Q.* Are there no checks coming to you in favour of John M. Suttle, through the agency of the Virginia Bank in the same way Mr. H's checks reached you? *A.* I believe they have. *Q.* Since this call from the country, have there not been liberal loans to the town? *A.* There have been loans to the town and also to the country. *Q.* Who makes the minutes on the offering book of the discounts directed to be made and those directed not to be made? *A.* They were designated by the Cashier at the Board, by certain marks or characters. *Q.* Is that book signed by the President? *A.* No, it is not. *Q.* Is the debt from the directory considered to be divided in equal portions among them? *A.* I believe some of the directors owe no debt, or a very small one. *Q.* Can you tell us what was the directory debt on the 1st of April, 1818? *A.* I cannot. Same question as to 1st of June and 1st of August, 1818. Same answers. *Q.* Has not the debt of the directory been much reduced by the removal of William Morgan and Robert Morris? *A.* They were considerable dealers. *Q.* Have they been called on to pay any portion of their debt? *A.* One of them has had to pay considerable sums, Mr. Morris, I believe. *Q.* Has Mr. Morgan been called on to pay any of his debt? *A.* I do not recollect—he may or may not. *Q.* Has not Morgan's debt been increased rather than diminished? *A.* I cannot say. *Q.* Is Mr. Morgan a partner of the firm of Bradford, Hannah, & Lee? *A.* Yes. *Q.* Can you inform the Committee how many mercantile establishments there are in the county of Amherst? *A.* Six. *Q.* Who is first clerk or book-keeper in your bank? *A.* The cashier is our first Clerk and book-keeper of general accounts. *Q.* As far as you have been acquainted with the directory of the bank, do you believe it is their wish to exclude from a participation of their funds, the inhabitants of the country? *A.* I have never heard any declaration from the Directors to that amount.

*Extract from the Notes of a member of the Committee, made a part of Mr. Taliaferro's evidence.*

*Q.* Is there not a decided preference given to the town's people? Witness believes there is not. *Q.* Have not dealers in real estate in and about Lynchburg been largely accommodated at bank? *A.* Some have been accommodated, but the witness believes their speculations have injured their credit at bank. Witness states that Doctor Cobbs was called on to pay his debt, and that Col. Peter Rose and Edmund Winston were his endorsers. Cross examination by the President of the bank. Witness states that the minutes and offering book are distinct—no difference made between town and country paper, other than as being good or bad.—Witness has seen country paper discounted and town paper thrown out, and vice versa. Suttle connected with several houses of considerable capital. Witness being asked whether it would be prudent to invite the attacks of those houses, declines giving an answer. John Miller of Lynchburg was called on, because he obtained checks on the Farmers' Bank in Lynchburg, and deposited them with the Virginia Bank there. The notice given to those called on was 2, 4 and 6 months."

SATURDAY, 9th January, 1819.

*Cross examination of Mr. Taliaferro by the President of the Bank, continued.*

*Q.* What office do you fill? *A.* Teller of the bank. *Q.* Whilst the Board of Directors are in session, are you not always in a different room? *A.* I am generally, but not always. *Q.* How frequently have you been present at the Board, and at what times? *A.* I do not recollect of being present during the session of the Board, more than once, or perhaps twice, when I supplied the place of the cashier, and this is about two years since—Sometimes I am in the room when the directors are sitting, for the purpose of handing them papers, but on such occasions, I make no stay. *Q.* Have you any means of knowing the motives of the directors when they are making calls on the customers of the bank, or when they are granting discounts? *A.* I have not—I have sometimes been informed by the cashier and the individual directors, of the proceedings of the board, to enable me to discharge my duty as teller of the bank. *Q.* Is not the cashier the officer who attends the directors during their sittings? *A.* He is. *Q.* When calls were made on the debtors of the bank, do you know which of the directors were in favor of, or opposed to these calls—whether the directors appointed by the stockholders or those appointed by the Executive? *A.* I do not. *Q.* Have not some of those country gentlemen on whom the call was made in April last, been since accommodated in several instances? *A.* They have. *Q.* Has it not been the practice of the Directors of the Farmers' Bank at Lynchburg, to dispense with a town endorser, when application is made to them by country gentlemen for loans? *A.* All that is required at bank is a good endorser—and it is immaterial whether he resides in the town or country. *Q.* Are not deposits of great importance to banks? *A.* Certainly. *Q.* What has been the amount of the deposits of the directors during the present year, independent of the discounts they have obtained? *A.* I cannot say what deposits have been made independent of the discounts, but I believe they have deposited, independent of their discounts, one million and twenty-five thousand, three hundred dollars. *Q.* What deposits have been made by country gentlemen from the commencement of the institution to the time you left Lynchburg? *A.* From the examination I made in the course of eighteen months back, country gentlemen have deposited about five thousand dollars—I made no examination farther back. *Q.* What has been the disposition of the Board of Directors—is it not their disposition to uphold, rather than oppress any gentleman either in town or country? *A.* I have frequently known it the case that country gentlemen would neglect their paper; and members of the board, to save it from protest, would take it up, and I have known you to do so twice. *Q.* Was not Col. Shelton of Nelson called on in April last to take up his paper, and did he not write to the board asking indulgence, and was not that indulgence granted him? *A.* Yes. *Q.* Is not Mr. David S. Garland indebted to the bank a larger amount than any other country gentleman with the exception of three or four? *A.* Mr. David S. Garland now present, desires me to state the amount of his debt, and I find on examination that it is \$5,580, and I do not remember more than two country gentlemen who owe a larger debt. I may, however be mistaken in this. *Q.* Is not Mr. David S. Garland a merchant in the country? *A.* Yes, I have always understood him to be. *Q.* Are not the country merchants generally residing in the counties adjoining Lynchburg, accommodated at Bank? *A.* Yes, they have been and are still accommodated there. *Q.* (By the memorialists.) Have you any information of the extent of the property of Mr. David S.

Garland, and his dealings as a merchant, and if you have, state them? *A.*—I have always understood Mr. Garland to own a large estate, and that he has done a considerable business as a merchant. *Q.* When the curtail was made in November, 1816, for the purpose of meeting specie payments, did not the people from the country comply with the call to a man? *A.* They did, to the best of my recollection. *Q.* Did the town do so—and was it not found necessary to relax the order as to some persons in town who have been largely accommodated since? *A.* I do not recollect that this was ever done. *Q.* At that time was not accommodation extended to the town? *A.* Not that I recollect, farther than real business paper. *Q.* Was not that order relaxed as to Capt. William Mitchell? *A.* My memory does not serve me as to any such order. *Q.* Are not a majority of the directors of the Farmers' Bank related and connected? Is not the majority of the Board of Directors composed of two families? *A.* I believe Cabell, Pollard and Whitlocke are connected by marriage, but do not know how nearly connected—William Davis, senr. is the uncle of William Davis, junr. (By the President.) *Q.* Was not upwards of \$140,000 called in from 29th May till 25d October, 1818, and was not more than three fourths of that sum called from the town? *A.* Yes, this was the case I believe. *Q.* Did the town of Lynchburg complain of this call as a grievance, and petition the Legislature on the subject? *A.* I know of no one who complained, nor of any petition. *Q.* Were not some neighbours in town called on while others were not. *A.* I know that I was called on myself and that some of my neighbors were not. (By the memorialists.) *Q.* Have not more than three fourths of \$140,000, been loaned out since May last, in the town of Lynchburg? *A.* I cannot say, my memory does not serve me—I say that considerable business has been done since that time, and that the state of the bank shews that the debt of the bank from the 29th May till 25d October was reduced upwards of \$140,000. *Q.* Have not considerable loans been made to individuals in the town of Lynchburg, since the 1st of May? *A.* Yes. *Q.* Were any of these loans considered permanent? *A.* No. *Q.* Have none been extended beyond sixty days? *A.* Perhaps there may be some cases, by particular request—but my memory at this time, does not serve me with a single case. *Q.* Have not Bradford, Hannah, & Co. of which firm William Morgan is a partner, had a considerable loan since the 10th of April last, for which they have not been called on? *A.* Yes they had; the money was loaned on the 24th of April, and is still due. *Q.* Do you know of any other instances? *A.* My memory does not serve me. *Q.* The book is in your possession, will you examine it and answer this question before this Committee on another day? *A.* I am not disposed to examine the books in reference to this question, nor to report any thing in relation to individual accounts, and perhaps I have committed an error in answering as to Bradford, Hannah, & Co. If I have done so, it has proceeded from the idea that Mr. Morgan was a director of the bank. *Q.* Have not the discounts made to the town been so managed by the use of drafts and exchanging notes, as to make the loan in amount a permanent one? *A.* I do not conceive it has. *Q.* The account rendered to the committee at the date of the 1st of April 1818, shows the amount of the country debt to be \$111,000 44, and at the date of the 1st December, 1818, to be \$123,910 95—will you state how this has arisen, and whether any additional loans have been made to persons residing in the counties of Amherst and Nelson? *A.* It will be seen in the statement rendered that \$145,695 74 are stated to be due from the town and country. It is practicable to ascertain the amount due from each, and Mr. Johnson says he will do so. So that the statement of 123,910 95 includes a portion of the sum of 145,695 74, but since the 1st April sundry loans have been made to the country, and some to the counties of Amherst and Nelson—one I recollect of \$3,000 dollars to a gentleman in Nelson and one other loan of \$1,000 in the county of Amherst, others of a smaller amount; all however are included in the sums of \$27,166 53, and \$14,705. *Q.* Will you tell us what proportion of the debt of 123,910 74, the county of Campbell has? *A.* I have not made the statement of the county of Campbell debt. I made out the statement for the three counties to show the committee that the populous county of Bedford had \$19,020, and was not complaining, whilst the others were. I could make out the statement for the county of Campbell, but it would be laborious and require time. My impression is that the county of Campbell would not exceed the debt of the county of Amherst, but this is conjecture only. *Q.* What has been the largest amount of accommodation extended to D. S. Garland, and has not his whole debt been reduced to \$5,000, by an order of the board, and has not the sum required of him been paid? *A.* The debt has been reduced to \$5,380. The sum required of him has been paid as I have every reason to believe. I cannot state what has been the amount of the accommodation extended to him. *Q.* What has been the amount of the directory at the periods of the 1st of April, 1st June, 1st August and 1st December? *A.* I do not recollect what it was on the 1st of April. On the 1st June it was 90,623 dols.—on the 1st August 112,860 dollars—on the 1st October 75,685 dollars, and on the 1st December 93,099 dollars. As regards these amounts I have never acted as clerk: my duty is that of teller, and if any error exists in the estimate, it proceeds from my not being able perhaps to make the calculation precisely. *Q.* In the month of April last or since, do you know of any order of curtail given by the mother bank to the branch in Lynchburg? *A.* I do not know it positively. I have heard of such a request, but not from any legal authority. *Q.* Do you know whether Mr. David Kyle is a citizen of the United States or of the State of Virginia? *A.* He has always been thought a foreigner by birth, he resides in Lynchburg; and I do not know whether he has become a citizen either of this State or the United States? *Q.* Do you know that it has been the practice of the Branch to receive of Mr. Kyle, North Carolina money at par? *A.* As teller of the bank, I have received of him North Carolina money at par, but not specially directed by the bank to do so. *Q.* At that time, did you not refuse to receive it of others? *A.* I do not recollect that I did at that time; but I have refused to receive it of others and also of D. Kyle. *Q.* At the time you received North Carolina money of Mr. Kyle, was it at or below par in the town of Lynchburg? *A.* I do not know, but I always received it at par. *Q.* Did you refuse to receive North Carolina money of Mr. Kyle, before or since he was a director? *A.* I have refused to receive it of him before and since he was a director; and I received it of him before and since he was a director. *Q.* Do you know that it has been the practice of the bank to lend money, on condition that the loan would be received in North Carolina paper? *A.* Such has been the practice of the bank, but it has always been optional with the borrower to take the loan or not on the terms proposed. *Q.* You have stated that the directors have been in the habit of making large deposits in the bank—have you ever received of Mr. Kyle deposits in North Carolina money? *A.* I have received deposits of him in North Carolina money, Virginia money, and other money deemed valuable to the bank, and also in Specie. Mr. Kyle has been a large depositor in the Farmers' Bank. *Q.* At the time the loans were made by the Bank, of North Carolina money, would that description of paper be received in return from the borrower? *A.* The bank would not take it, but I have sometimes, on my own responsibility, received it as teller. *Q.* Would the bank take it from you, when you had received it in such cases? *A.* They have always done so. In some instances, I have received this description of money from dealers at the bank in payment of their notes, it being understood, that in a few days they would take it back and substitute other paper. It frequently happened that individuals did not comply with this understanding, by which means, a considerable quantity of

North Carolina money accumulated upon the bank, and they were reduced to the necessity of getting rid of it by loans in the manner mentioned before. Q. You now say that you have seen a resolution of the mother bank recommending a curtailment of their accounts to the branches? A. The President has just shewn me an official copy of such a resolution, dated on the 14th of August. (By the request of the President, a letter from the cashier of the Mother bank, enclosing a copy of the resolution referred to, was then read to the Committee in these words:)

**"FARMERS' BANK OF VIRGINIA, 14th August, 1818.**

"The bank of the United States having directed its office at this place to commence a curtailment of their loans to the amount of seven hundred thousand dollars, the State Banks have been compelled to curtail their accounts also, as a measure of self-defence. But besides this cause, as a reason for curtailment, specie has been demanded by and paid to the United States Bank and other northern banks, and actually sent out of the State; and unless some remedy be applied, it is not known how long such demands may continue. The only practicable remedy is considered to be the reduction of our business and the consequent lessening the amount of our circulating notes.

"Although some of the Branches of this Bank may not yet be much affected by the existing pressure which is just commencing, yet the effects of it will be felt through the whole State; and it becomes a most important duty, on which perhaps the very existence of the institution depends, that measures be adopted by all the offices, for retaining the specie in the country and preserving the general credit of the bank. As a means to this effect a curtailment has been resorted to here, and it is earnestly recommended to the branches.

"Resolved, That in addition to the present curtailment which this board are now making on the temporary loans, it is expedient to curtail the accommodation accounts; and that the same be curtailed from and after the 27th day of August, instant, for at least eighteen weeks, at the rate of ten per cent.

"Resolved, That a copy of the foregoing resolution be transmitted by the Cashier to the branches, and that they be earnestly requested to adopt a similar course."

(By the President of the bank.) Q. Were not directions given by the bank to you as teller, as soon as it was ascertained that North Carolina money was selling at a discount, not to receive it of any person whatever? A. Yes, I received such directions from the President.

**CITY OF RICHMOND, To Wit:**

This day, Rowrick Taliaferro personally appeared before me, a magistrate for said City; and made oath that the evidence herein above detailed is true, to the best of his knowledge and belief. Given under my hand this 9th day of January, 1819.

**H. A. CARRINGTON.**

(2.)

**Evidence of Mr. Dandridge and Mr. Bradfute.....Mr. Julius Dandridge, Cashier of the United States' Bank in Richmond.**

(By the President of the bank.) Q. Is the sum of 112,860 dollars a large accommodation to 13 directors of a bank? A. It depends upon the capital of the bank and other circumstances. With such a capital as that of the Farmers' Bank in Lynchburg, under ordinary circumstances, it is a moderate accommodation to directors. Q. Have you not known one half of the sum above named to be lent to a single director? A. I do not recollect the exact sums which I have sometimes known to be lent to Directors; but I should not consider 50,000 dollars to be too great an accommodation to a single person, in some cases. Q. Are not deposits of great importance to banks? A. Yes, they are. Q. Do not banks, judiciously conducted, grant indulgencies to large depositors, which they would not do to others. A. Yes, they always give a preference to good customers. Q. Is 4, 6 and 8 months a short notice for paying up money to banks? A. I consider it a very long notice. Q. Is it not frequently the practice of banks to call upon one neighbour in town, when another is not? A. Yes, that must always be left to the discretion of the directors. (By the memorialists.) Q. What rule does your bank observe in curtailments? A. There is no general rule. We sometimes curtail the whole debt of the bank, to a certain per cent. and every day, we curtail the accounts of individuals, in proportions which are governed by circumstances. When a particular debtor is supposed to be of doubtful credit, we require him to pay up his debt, to give additional security, or we take any other step we can to secure the debt.

**Mr. Bradfute, Cashier of the Farmers' Bank of Virginia, at Lynchburg.**

(By the President.) Q. Did not I state, at the time when the curtail on the country in April last was ordered, that Mr. Hatcher had recommended a reduction of the country debt, and was it not under the influence of this recommendation that the curtail was adopted? A. Yes. Q. Did not the increased commerce of Lynchburg also have some weight with the Board in the adoption of this measure. A. Yes. Q. Was there not stronger reason for curtailing in Amherst and Nelson, than in other counties, on account of the trade of those two counties being less connected with Lynchburg? A. Yes, I understand that to be one of the reasons which influenced the directors. Q. Is it true that all the funds of the Bank were drawn in from the country, with the exception of a few favorites? A. No partiality of that sort was expressed at the board, nor do I believe that it had any influence on the minds of the directors. Their sole object seemed to be the interest and benefit of the institution. Q. Has not the conduct of the Board been fair, impartial and just, having due regard to the safety and interest of the institution, so far as you know? A. I have always considered it so, and seen nothing to the contrary. Q. When more paper was offered than could be discounted, have you not known the directors to withdraw their own paper in order to let in others? A. I have known it to be done frequently, and in several instances, I recollect that you have done so. Q. Have not country merchants been liberally accommodated at the bank, and are not some of them considerable debtors, still, to the bank? A. Yes, a good many of them are accommodated to a considerable extent. I do not recollect any instance of a country merchant, applying for accommodation, who has been refused, where the paper was good. Q. Is not Mr. Thomas Aldridge, late partner of David S. Garland, a considerable debtor to the bank? A. Yes.

Q. Whenever it was understood that the payment of a debt would be inconvenient to any country gentleman, has he not been exempted from the call? A. If such a representation was made to the board by the party himself, or through others, it has been the practice of the bank to indulge him. Q. Did not Mr. E. Penn ask indulgence, and did he not obtain it? A. Mr. Penn himself answers in the affirmative, and the cashier states that when the indulgence expired, the debt was paid up. Q. Is not Mr. D. S. Garland endorser for W. Morgan at bank? A. Yes. Q. Did he not become so after Morgan was presented for his frauds in the tobacco business? A. Yes. (Questions by the memorialists.) What has been the increase of the commerce of Lynchburg for the last 18 months or two years? A. I do not know the precise amount of the increase, but think it very great. I am of opinion that the commerce of Lynchburg for the last year does not fall short of three millions. Q. Have you ever known the directors to withdraw their own, to let in country paper, when more has been offered than could be discounted? A. I do not recollect whether the paper which was let in by the directors withdrawing their own, was town or country paper. Q. What is the nature of the accommodation extended to the country? A. It is like all the rest of the paper discounted by the bank, sixty days paper. Q. When you said that Mr. Aldridge was a considerable debtor to the bank, what did you mean? A. I meant that in proportion to what I understand to be his circumstances, and considering the state of the bank, the amount of the accommodation granted to him was considerable? Q. Was not Mr. Johnson, President of the bank, and Mr. Morgan, partners in trade and directors in the same bank, before the presentments against Mr. Morgan? A. The president answers that he was partially connected with Mr. Morgan and Mr. Pannill in trade on the Roanoke, but never had any general connection with him in business. Q. Was not Mr. Johnson endorser, at bank, for Mr. Morgan, previous to the presentments against the latter? A. The house of Johnson and Wright were. Johnson and Wright were endorsers for Morgan, in one instance, after the presentments against him, which happened in this way: Morgan was absent when one of his notes, on which Johnson and Wright were endorsers, became due, and Mr. Johnson renewed his endorsement, on the condition alone, that Mr. Suttle would put his name first. Q. Do you know that the bank has ever loaned money, on condition that the loan would be taken in North Carolina paper? A. Yes, it has been done—but it has always been optional with the individual whether he would take the loan on these terms or not. Not only North Carolina paper has been lent in this way, but other foreign paper, and such has been the practice of the bank ever since its commencement. Q. Would the same paper be received in payment of dues to the bank? A. In some instances, the same paper is received from the borrower; but in other cases, this description of paper has been lent for the express purpose of getting rid of it, and then it would not be taken back. Q. Has it not sometimes happened that a director of the bank has purchased North Carolina paper at a discount? A. I know of no such instance. Q. Do you know that D. Kyle, or any house of which he is a partner, has purchased North Carolina paper at a discount? A. I do not. Q. Has there not been a difference made by the bank between the town and country in calling in the outstanding debts? A. The practice of the bank has been to examine daily the paper discounted, and to call it in as the interest of the institution required, without regard to town or country. A portion of the country debt has been called in, when none of the town debt has been demanded, and a portion of the town debt has been called in, when none of the country debt was required to be paid. Q. Has not a difference been made among country dealers, in permitting some to retain their loans, while others, similarly situated in relation to the character of the paper which they held, have been required to pay? A. Yes, some have been called ~~in~~ while others have not been. Q. Is there a solitary instance in which a relation or connection of any of the directors has been called on to pay their accommodation debt to this bank? A. Yes, there are some which I recollect, but not knowing the relations and connections of all the directors, there may be others which I am not acquainted with—Robert Mitchell, a relation of one of the directors, and Mr. Burton a connection of another, have been called on. Q. How did it happen that the regulation which had for its object a complete revolution as to the character of the various descriptions of debts due to this bank, should not have been noticed, in a regular way in the minutes of the board? A. It is the practice of the cashier not to enter upon the minutes any proposition which does not assume the shape of resolution. Measures are frequently determined on, in the way of informal conversation at the board which is never noticed on the minutes, and that was the case with the regulation referred to. Q. How did it happen that a motion made on the 30th of January last to place the whole debt of the bank on the footing of 60 days paper, and then carried in the negative, was noticed upon the minutes, when the same proposition, afterwards renewed and alleged to be decided in the affirmative, was not so noticed? Was it deemed more important to record an effort to change the character of the debt due to the bank, than a change actually made? A. I presume that the proposition, when renewed and decided in the affirmative, was not made in the form of a resolution. Q. Why then, did you make the interpolation in the minutes? A. It was to record a fact known to myself, and to nobody else except the Board of Directors. Q. Are you in the habit of recording the proceedings of the bank, six months after they occur? A. I am not. Q. Why then was the regulation before referred to, recorded six months after it was said to have been adopted by the bank? A. For the reasons before given. Q. How did it happen that there are two entries of the proceedings of the Board of Directors, of the date of the 30th of January last, and between them, an entry of their proceedings on the 6th of February? A. I have generally been in the habit of transcribing the proceedings of the board from a slate, and in doing that, I suppose a mistake was committed without any intention, of fraud on my part. (By the President.) Q. Was not the putting of all the paper of the bank on the footing of 60 days paper a favorite measure of the President, and failing to get the measure adopted in January, did he not continue to press it until April? A. He often urged it as a salutary measure for the institution at the Board, as well as in private. Q. Were the measures complained of by the memorialists adopted by the votes of the directors appointed by the Executive or of those selected by the stockholders? A. There were not more than two or three of the directors opposed to those measures, and they on the ground of an appearance of partiality. Q. When North Carolina paper was ascertained to be at a discount, did not I give express directions not to receive it of any one whomsoever? A. Yes. (By the memorialists.) Q. Have these directions been obeyed? A. I do not know, as I do not attend to the department to which those directions were properly addressed. (The Cashier being asked to examine the signatures to the Nelson and Amherst memorials, and to say how many of them are dealers at the bank, replies that he knows of no more than one of the on the Nelson memorial that has borrowed a dollar, and about ten on the Amherst memorial, who have been accommodated. (By the President.) Q. Has it been a practice with the directors to give aid to dealers in real estate, in order to give it a fictitious value? A. My impression is that it has, in all cases gone to the injury of the credit of such as were borrowers. Q. When the directors reject any paper at the board, is it common for them to assign a reason for it? A. No, it is not common—in some cases it is done. Q. Were any reasons assigned for calling in the paper from the counties of Amherst and Nelson? A. There were in some. Q. Were there any reasons assigned by the

Directors for not calling on some individuals, in the counties of Amherst and Nelson, or on those who were not required to pay up? *A.* There were reasons offered that frequently influenced the board, in deciding on this point, where the borrower found it inconvenient, or became indebted to the bank by being security, being a miller, or from other circumstances that rendered his case peculiar. (By Capt. Penn.) *Q.* Have dealers and speculators in real estate, now and heretofore, had accommodation at bank? *A.* I have no doubt but there are; but I have no particular knowledge as to persons. (By the memorialists.) *Q.* Have you prepared a statement to shew the total amount of bills receivable, discounted at said office, and outstanding at the several dates, viz.: 1st April, 1818, 1st June 1818, 1st August 1818, 1st October 1818, 1st December 1818—shewing also, what proportion of the total amount of bills discounted and outstanding, at the several dates above, was payable by persons who were then directors of said office; and what proportion payable by persons who were neither directors nor residents of the town of Lynchburg; distinguishing also, under each head, at the said several dates, the proportion or amount of what was commonly called old accommodation paper, or paper originally discounted, previous to the year 1815? *A.* I have not made out the statement, because the books from which such statement was to be made out, were sent by me to Richmond for the inspection of the Committee.

(3.)

## EVIDENCE OF MR. JOHN OTEY.

*Q.* Are you the agent of a number of country dealers at the Farmers' Bank at Lynchburg? *A.* I formerly was. *Q.* Have they been generally called on? *A.* Some have been called on and some have not. While I was agent, this was the case—I have not been the agent of any one since August 1818. *Q.* Do you recollect who have been called on, and who have not?—*A.* My memory does not particularly serve me. *Q.* Were a majority of the country people called on for whom you were agent? *A.* I am not positive, but I think there were. *Q.* Do you believe one half the amount due from persons for whom you were agent, was called in? *A.* I do not, most of the sums were small, varying from \$100 to \$1,000 of those called on.—(By Mr. Johnston.) *Q.* Are you not the teller of the Virginia Bank at Lynchburg? *A.* I am. *Q.* Were you not formerly discount clerk in the Farmers' Bank? *A.* I was. *Q.* How long? *A.* About 4 years. *Q.* During that period did you ever know any undue partiality exercised by the President and Directors of that bank towards any one? *A.* I do not believe there ever was, except when I was an officer in that bank the Directors of the Virginia Bank at Lynchburg were called on to pay their accounts.—*Q.* Did you not understand as the reason for this measure that they refused to discount paper for the Directors of the Farmers' Bank? *A.* I did understand that to be the reason. *Q.* Did you not while agent for the country people frequently find it necessary to take up their notes by substituting your own or the note of some one else? *A.* I did.

## CITY OF RICHMOND, To Wit:

*This day, John M. Otey, personally appeared before me a magistrate for said City, and made oath that the answers above detailed are true to the best of his knowledge and belief. Given under my hand this 9th day of January 1819.*

R. A. CARRINGTON.

(4.)

## EVIDENCE OF MR. HATCHER.

(By Mr. Johnston, President of the bank.) *Q.* Did you not, in a conversation with me, recommend in the strongest terms that a part of the country debt due to the Farmers' Bank at Lynchburg should be called in? *A.* Yes, I did. *Q.* At your board, do you minute down every decision which is adopted? *A.* We minute down all propositions of a general nature, and on which the vote is taken. Any proposition to change the course of the proceeding of the bank, such as a curtail for example, is always noted in the minutes; but there are a good many incidental matters, which pass in the way of conversation, that are not entered. *Q.* How has the Branch of the Farmers' Bank at Lynchburg been managed? *A.* I have always considered it ably managed. *Q.* Do you know how the dealers at the Branch, in Lynchburg are managed? *A.* I form my opinion of the management only from the general state of the bank. *Q.* Would you consider a proposition to place the whole debt of the bank on the footing of sixty days' paper, such an one as ought to be entered on the minutes? *A.* I should—such a proposition ought to be made by way of resolution, and every resolution is entered. *Q.* Would you consider an entry of the 6th of February, coming between two entries of the 20th of January, a fair and regular entry? *A.* It is certainly an irregular entry, but may have been accidental. The cashier can best explain it.—*Q.* Would you consider the interpolation of the order said to have been adopted on the 10th of April, by the cashier, as a regular entry? *A.* There seems to have been something irregular in the entry which the cashier can best explain.

(5.)

## EVIDENCE OF MR. WILLIAM MITCHELL.

*Q.* Do you know that any of the Directors of the Farmers' Bank at Lynchburg have ever purchased North Carolina notes at a discount? *A.* I do not. *Q.* Do you know that any firm of which a director of that bank is a partner, has ever done so?—*A.* I do. *Q.* Do you know that a firm of which David Kyle is a partner has done so? *A.* I do. *Q.* Has it been while he was a Director of the Farmers' Bank at Lynchburg? *A.* It was in the month of October, and as I understand from the President, who is present, while he was director. *Q.* Do you know that Mr. Kyle deposited these North Carolina notes in bank? *A.* I have seen Mr. Kyle deposit such notes in bank, and I have also deposited them myself. *Q.* What discount was made on North Carolina notes purchased by the house of which Mr. Kyle was a partner? *A.* Two and a half per cent. I believe.

The documents referred to in the said report, were also read, as follow:

## A.

## STATEMENT BY THE BANK OF VIRGINIA.

1819, January.	Actual Capital.	Notes in circulation.	Bills discounted.	Deposit money.	Specie and Foreign notes.
RICHMOND,	\$915,000	505,142	1,823,616	842,075	257,675
NORFOLK,	460,000	307,055	741,667	93,752	119,933
PETERSBURG,	480,000	269,698	888,750	104,234	119,638
FREDERICKSBURG,	275,000	524,682	640,461	88,682	104,608
LYNCHBURG,	250,000	401,345	590,440	75,280	114,750

NOTE.—Deducting the amount due from foreign banks to this bank and its branches, from the amount due to foreign banks, there is a balance against the institution of \$7,344 33.

NOTE.—There is a balance due from the branches to the mother bank, of \$404,900.

## B.

## STATE OF THE FARMERS' BANK OF VIRGINIA, JANUARY 2, 1819.

	Actual Capital.	Notes in circulation.	Bills discounted.	Deposit money.	Specie, Foreign notes and debts due from other Banks.	Debts due to other Banks.
RICHMOND,	489,564 50	673,295 45	606,848 38	461,350 20	645,919 98	
NORFOLK,	468,731	214,379 50	693,869 59	53,759 08	110,173 64	16,103 61
PETERSBURG,	234,365 50	248,930	431,626 34	63,573 56	198,467 79	
FREDERICKSBURG,	234,365 50	306,251	515,079 73	43,572 12	114,103 70	
LYNCHBURG,	234,365 50	337,276 77	551,588 83	54,093 82	154,875 36	44,301
WINCHESTER,	234,365 50	65,520	243,700	7,133 23	68,887 14	

On motion, *Ordered*, That the said report and documents be laid upon the table.

Mr. Magill, from the Committee on the subject of the Revision of the Laws, to which was committed a bill, "to reduce into one the several acts concerning the recovery of debts due to the public, and the sale of lands for judgments on behalf of the Commonwealth against public officers," reported the same with amendments, which, being twice read, were, on questions severally put thereupon, agreed to by the House.

Mr. Magill, from the same committee, to which was committed a bill, "to reduce into one act the several acts for enforcing the payment of fines into the public treasury," reported the same without amendment.

*Ordered*, That the said bill be engrossed and read a third time.

Mr. Magill, from the same committee, presented a bill, "to reduce into one act the several acts now in force, providing for the appointment of Electors to choose a President and Vice-President of the United States;" which was read the first, and, on motion, the second time, and ordered to be committed to the committee that brought it in.

On motion of Mr. Dade,

*Ordered*, That leave be given to bring in a bill, "to amend an act, entitled, "an act appropriating the money arising from the sale of the glebe lands of St. Paul's parish, in the county of King George, to certain purposes therein mentioned;" and that Messrs. Dade, Hooe, Ficklin, Moncure, Bailey, Glascock, Linton, Parker, Quarles and Buttaile do prepare and bring in the same.

Mr. Johnson of Harrison laid before the House a letter from John G. Jackson, Esq. with a copy of certain proceedings of a Board of Directors of the Monongalia Navigation Company, held at Clarksburg, January 29th, 1819, for the purpose of vindicating the motives and conduct of the said Navigation Company from imputations cast upon them by certain papers heretofore laid before the House.

The said letter and proceedings being read, were, on motion, ordered to be referred to the Select Committee on the subject of the navigation of Monongalia river.

On motions severally made,

*Ordered*, That leave of absence from the service of this House for the remainder of the session be granted to Mr. Chapline from to-morrow, and to Mr. Upshur from Wednesday next; to Mr. Archer for twelve days, and to Mr. Steenbergen for three days, from to-day.

1816-21

Reel 7.

# Foreign Phone Calls

Originator:

Ext.

To Whom:

City/State:

Phone #:

DATE:

⊙ TIME:

◆ *PURPOSE OF CALL*

Research

Other

Conference

Personal

◆ *JUSTIFICATION: (Why this form of communication?)*