M—BANKS

Name, place, and date.	Loans and discounts.	Stocks.	Real estate.
Bank of Virginia, Richmond, January 1, 1836 - -	$7,106,934	$140,000	$320,237
Farmers' Bank of Va. do. do. - -	4,773,604	23,715	232,418
Bank of the Valley of Virginia, Winchester, Dec. 1, 1835	1,242,765	-	69,324
Merchants and Mechanics', Wheeling, Jan. 11, 1836 -	671,486	3,451	-
Northwestern Bank of Virginia, Wheeling, Nov. 30, 1835	383,408	-	5,295
Branch of do. Wellsburg, Dec. 1, do.	151,483	-	2,561
Total of five banks and eighteen branches -	14,329,680	167,166	629,836

#'s from ↑ Northwestern Bk of VA not entered from this source → other source used

ices of the Bank of Virginia at
g, and Fredericksburg, during
maturity on the 1st of January,
- - - $3,654,094
t the three remaining offices,
- - - 731,075
r old, at the offices at Richmond,
lericksburg - 2,721,765
armers' Bank of Virginia, during
at maturity on the 1st of January,
- - - 2,566,514
old - - - 2,207,090
nd doubtful debts due to them, is

- - - $375,528
- - - 283,677
- - - 29,621
- - - 19,135

vering these debts, are as follows:

Bank of Virginia - - - -	$453,732
Farmers' Bank of Virginia - - - - -	271,349
Bank of the Valley of Virginia - - - - -	27,373
Northwestern Bank of Virginia - - - - -	15,872

Note 4. The following statement has been rendered of the profits made by the different offices of the Bank of Virginia, and of the Farmers' Bank of Virginia, during the year 1835:

Bank of Virginia at Richmond - -	13.67 per cent.
Norfolk - -	3.48
Petersburg - -	10.88
Fredericksburg - -	10.00
Lynchburg - -	13.56
Danville - -	12.35
Charleston - -	13.76
Buchanan - -	
Aggregate profits - - -	11.24

OF VIRGINIA.

Other investments.	Due from banks.	Notes of other banks.	Specie.	Circulation.	Deposites.	Due to banks.	Other liabilities.	Capital.
-	$1,473,270	-	$659,248	$3,781,041	$1,888,229	$343,509	-	$3,240,000
-	428,155	$208,792	577,923	2,712,937	1,260,325	-	-	2,000,000
-	198,028	242,259	175,455	944,445	218,777	15,961	-	690,000
$1,140	153,238	51,576	73,693	474,440	110,438	57,335	-	300,000
-	9,535	35,534	37,415	152,810	57,697	39,363	$2,423	206,300
2,342	2,520	22,130	28,794	117,090	12,948	1,514	-	75,600
3,482	2,264,746	560,291	1,552,528	8,182,763	3,548,414	457,685	2,423	6,511,300

NOTES.

Farmers' Bank of Virginia at Richmond - -	17.95
Norfolk - -	4.63
Petersburg -	10.80
Fredericksburg -	9.41
Lynchburg -	12.34
Winchester -	8.15
Danville -	4.22
Aggregate profits - - - -	10.41

Note 5. The Bank of the Valley of Virginia, at Winchester, has offices at Charleston, Romney, and Leesburg. The Merchants and Mechanics' Bank, at Wheeling, has an office at Morgantown; and the Northwestern Bank at Wheeling an office at Wellsburg.

Note 6. The Bank of Virginia made a dividend of five per cent. July 1, 1835, and another of four per cent. January 1, 1836. The Merchants and Mechanics' Bank at Wheeling made a dividend of three per cent. in July, 1835, and another of five per cent. in January, 1836. The other banks have made no statement to the Legislature of the amount of dividends declared.

Note 7. The active debt of the branches of the United States Bank at Richmond and Norfolk has been transferred to the Bank of Virginia and the Farmers' Bank of Virginia, in about equal proportions.

Note 8. A joint committee of the Senate and House of Delegates, appointed to examine the condition of the Bank of Virginia, and of the Farmers' Bank of Virginia, made report:

"That the total outstanding debt due to the bank [of Virginia] for notes discounted amounts to $7,106,934 51; specie, $659,248 28; and the debt due from other banks, which may be considered as specie, is $1,473,270 61; and added to the specie on hand, makes the available funds amount to $2,132,518 89. The stocks of the James River Company, and of the James River and Kanawha Company, held by the bank, amount to $140,000; and the real estate is estimated at $320,237 58, making the aggregate of the means of the bank amount to $9,699,690 98.

"The bank is indebted for notes in circulation $3,781,041, and money due to other banks $343,509 49; discounts $11,179, and deposite money

$2,323,961 49. Its immediate liabilities, therefore, amount to $6,459,690 98, and its total amount of debts to $9,699,690 98.

"A contingent fund has been for some years forming out of the profits of the bank, over and above the dividends declared. This fund is in the nature of a sinking fund, and is intended to be applied to reimburse any losses which the bank may sustain, or which have already occurred. At this time, the fund belonging to the Bank of Virginia amounts to $435,732 13; and the bad and doubtful debts to which the fund is applicable, are estimated to be $375,528 64, which will leave a balance on hand, after the extinguishment of all bad debts, of $60,203 49.

"In relation to the contingent fund of the Bank of Virginia, and of the Farmers' Bank of Virginia, the committee think it proper to remark, that it forms a part of the amount stated under the head of 'deposites,' on which the bank is expressly authorized to discount; and in regulating its power to issue notes by three-fold the amount of its capital, together with the amount of its deposites at any time on hand, the powers of the bank are increased by its deposites.

"The contingent fund of the bank being held as deposites, instead of being at once applied to the liquidation of its bad debts, gives it the power to increase its issues to the amount of $435,732. This could never have been the intention of its charter; for, if this power be granted, they may enlarge this fund to a million, and, by estimating it as *deposites*, increase their circulation in proportion, and virtually augment at pleasure the capital of the bank. It is not intended by the committee to insinuate that the contingent fund is *now* held as deposites, for the purpose of extending *at this time* the circulation of the bank, because it is evident that the terms of the charter confer this power without a resort to expedients; but it is designed to show what the effects may be, whenever it may become necessary in any bank to resort to such means.

"The same remarks are applicable to the Farmers' Bank, as it holds its contingent fund in the shape of deposites in the same way, to the amount of $271,347.

"The means of the Farmers' Bank are composed of its outstanding debt on notes discounted, amounting to $4,773,604 33; specie, $577,923 10; foreign notes, $208,792 49; due from other banks, $428,155 71; bank stock, $23,715 50; and real estate, $232,418 34; in all, $6,244,609 47.

"Its liabilities are, for debts to stockholders for capital, $2,000,000; for notes in circulation, $2,712,937; and for its deposites, (the contingent fund being deducted,) the sum of $1,260,325 28; making the liabilities of the bank amount to $5,984,284 19.

"The bad and doubtful debt of the bank is rated at $283,677 19; and its contingent fund on deposite being $271,349 21, leaves a bad and doubtful debt to be provided for, amounting to $12,329 58.

"The committee cannot close this report without referring to the condition of the circulation of all the banks in relation to the specie or metallic basis on which it is founded.

"Frequent expositions of the particular condition of these institutions present the best evidence the people can have of the condition of the currency, and may in some degree prevent over-issues of paper, and a depreciation consequent thereon. It is difficult to determine the exact proportions which should exist between the metal which it is requisite at any time to keep on deposite, to enable a bank to redeem its notes as they may

be presented for payment; much depends on the credit of the bank and the course of domestic trade, which enables it to circulate its notes at a distance from the spot where they are made payable. What the excess of issues over the coin or bullion on hand may safely be, cannot, therefore, be precisely stated. The estimate most usually made is as three to one. If we compare the circulation of the banks in Virginia to the metallic basis on which it should be founded, we shall find it to be as $5 22 to $1, or $5 22 to one dollar in silver.

The Bank of Va. has in	specie,	$659,248 28,	in circulation,	$3,781,041
Farmers' Bank	do.	577,923 10	do.	2,712,937
Bank of the Valley	do.	175,445 78	do.	944,445
Northwestern Bank	do.	62,799 00	do.	269,900
Specie	- -	$1,475,416 16	Paper	$7,708,323

"While your committee deem it their duty to present these views to the Legislature, it is proper to remark, that they consider the banks, whose condition they have been directed to examine, to be not only in a sound, but in an improving condition."

Note 9. On the 1st of January, 1836, nearly one-half of the active debt of the office of the United States Bank at Richmond, viz. $312,518 78, was transferred to the Bank of Virginia. For this sum this bank has given four notes payable in equal annual instalments of 1, 2, 3, and 4 years, and eight other notes for the semi-annual interest, at the rate of 5 per cent. per annum, both principal and interest to be paid at Philadelphia. The residue, viz. $315,285 40, was transferred to the Farmers' Bank on the like conditions.

The active debt of the office of the United States Bank at Norfolk, amounting to $120,502 35, has been transferred to the two banks on precisely the same terms and conditions. It is stated that the only motive with the Farmers' Bank and the Bank of Virginia for engaging in this operation was, the desire to relieve their customers from the pressure of paying off these debts immediately.