

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE,

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1837.

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SEVENTEENTH LEGISLATURE.

No. 6.

SENATE.

To the Senate and House of Representatives :

THE Secretary of State will herewith lay before you, the Report of the Commissioners appointed to examine the doings and transactions of the several incorporated Banks in this State.

ROBERT P. DUNLAP.

COUNCIL CHAMBER, }
JANUARY 25th, 1837. }

To the Governor and Council of the State of Maine :

THE Commissioners appointed by the Executive to “inquire into and examine the doings and transactions of the several incorporated Banks in this State, and generally to ascertain the state and condition of the same”—

R E P O R T ,

That, in addition to the thirty-six Banks previously in operation, they have examined nineteen which have commenced business since the close of the last session of the Legislature.

Considering that the interest of the Banks as well as the safety of the public, rendered it important that these institutions should be properly organized in the outset, we gave to this subject our particular attention—and we regret to say, that in some of the new Banks, we discovered many deficiencies and irregularities in the records and early proceedings, which are deserving severe reprehension—although the undersigned are of opinion that they are attributable rather to neglect or misapprehension of the law, than to any design to violate its provisions.

The Directors’ records in many cases, as well in the old, as in the new Banks, were but little better than a blank ; and in many instances the proceedings

of the Directors, although entered in a book, were neither certified by their recording officer nor signed by themselves—nor did it appear from them, what directors were present. These errors and deficiencies were pointed out to the officers of the Banks, who assured us they should be promptly corrected.

While we have thought it our duty to notice the deficiencies of a portion of the Banks, we take pleasure in bearing testimony to the full and complete organization and correct proceedings of most of them, as exhibited in their records; prepared as they are, to pass a strict examination, without a diminution of their claims to public confidence.

For our own convenience, and to enable us to present the facts in relation to each institution correctly, we presented each bank with a printed form, with questions which were answered and certified by their officers. From these lists an abstract showing the amount of capital stock, bills in circulation, specie on hand, liabilities of Directors, &c. of each Bank, has been compiled. The original lists are herewith submitted, marked A.

On the 27th day of October we commenced our official duties in the city of Portland, and are gratified to state that every facility was offered us by the officers of the Banks, not only in that city, but in every other place we visited in the discharge of our commission.

SCHEDULE.

AGRICULTURAL BANK, (*Brewer.*)

OFFICERS.

Jonathan Burr, *President.*

John D. Wilson, Joshua Chamberlain, Jr. Joseph Porter, Stillman Wilson,	}	<i>Directors.</i>
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C. Bedlow, Jr. *Cashier.*

AUGUSTA BANK, (*Augusta.*)

OFFICERS.

Daniel Williams, *President.*

B. Brown, Vassalboro', T. W. Smith, Augusta, H. W. Fuller, " J. Smith, " J. Bridge, " G. White, "	}	<i>Directors.</i>
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George Crosby, *Cashier.*

ANDROSCOGGIN BANK, (*Topsham.*)

OFFICERS.

Charles Thompson, *President.*

Humphrey Purrinton, John Barrow, David Scribner, Nahum Perkins,	}	<i>Directors.</i>
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John Coburn, *Cashier.*

BANK OF CUMBERLAND, (*Portland.*)

OFFICERS.

Nathan Nutter, *President.*

Charles Q. Clapp,	}	<i>Directors.</i>
Roscoe G. Greene,		
David Drinkwater,		
William Moulton,		
John Anderson,		
Thomas Todd,		

Ira D. Bugbee, *Cashier.*BANGOR COMMERCIAL BANK, (*Bangor.*)

OFFICERS.

John Fiske, *President.*

Henry Warren,	}	<i>Directors.</i>
Amos Davis,		
Rufus Dwinal,		
Fred. Lambert,		

William H. Foster, *Cashier.*

It appears that \$12,000 of the bills of this Bank were placed in the hands of the Directors, for the purpose of being pledged as collateral security to raise funds in Boston. The President however assured the Commissioners that the Bills had not been so used.

BANK OF WESTBROOK, (*Westbrook.*)

OFFICERS.

Oliver Buckley, *President.*

Freeman Bradford,	}	<i>Directors.</i>
Jona. Smith,		
S. B. Stevens,		
Samuel Jordan,		

C. C. Tobie, *Cashier.*

Discounted to stockholders before the full amount of capital stock was paid—this error was unquestionably inadvertent, the law not having been duly examined, or misapprehended.

BRUNSWICK BANK, (*Brunswick.*)
OFFICERS.

Richard T. Dunlap, *President.*

John C. Humphreys,	}	<i>Directors.</i>
George F. Richardson,		
Alfred J. Stone,		
Gardiner Green,		

Moses E. Woodman, *Cashier.*

BANK OF BANGOR, (*Bangor.*)
OFFICERS.

Samuel Veazie, *President.*

James Crosby,	}	<i>Directors.</i>
Samuel J. Foster,		
Nath'l Lord,		
Stephen Bowles,		

A. P. Richardson, *Cashier.*

BELFAST BANK, (*Belfast.*)
OFFICERS.

Joseph Williamson, *President.*

Daniel Lane,	}	<i>Directors.</i>
James P. White,		
Paul R. Hazeltine,		
Salathiel Nickerson, Jr.		
John Haraden,		
Thomas Pickard,		

Albert Bingham, *Cashier.*

Discounted to stockholders before the whole amount of capital stock was paid. Stockholders' and Directors' records mixed together—both deficient and irregular ; but the disposition manifested, by the officers, was such that the Commissioners have no reason to doubt that a more correct course will be pursued hereafter.

BANK OF OLD TOWN, (*Orono.*)
OFFICERS.

Jefferson Sinclair,	<i>President.</i>
Samuel Cony,	} <i>Directors.</i>
Henry Richardson,	
John Stevens, Jun.	
George W. Coffin,	
C. S. Lane,	<i>Cashier.</i>

Organization imperfect—no record of notice to call the first stockholders' meeting—by Directors' records it does not appear that a Cashier was chosen and duly qualified—discounted to stockholders before the whole amount of capital stock was paid. Whole amount of bills registered and put into circulation \$65,000—had on hand \$840—in circulation \$36,240—making \$37,080. By representation of the Cashier, \$11,200 was in the Fulton Bank, Boston, and the balance \$16,720 in the hands of Mr. Geo. W. Coffin, one of the Directors, to whom an order had been given for the purpose of returning the Bills from Boston to the Bank. The fact that these bills were in the hands of a person who openly avows his intention to bring into this

State and circulate small bills contrary to law, and that considerable amount of the bills of the Bank of Old Town had been pledged as collateral security, led the Commissioners to the opinion that it was probable that a part or the whole of the \$16,720 would be used in the same way. It is proper to subjoin that since the examination a copy of amended records has been forwarded to the Commissioners by the Cashier, by which the defects in the same appear to have been remedied.

BANK OF PORTLAND, (*Portland.*)

OFFICERS.

William Swan, *President.*

George Bartol,	}	<i>Directors.</i>
William Willis,		
Charles E. Barrett,		
Toppan Robie,		
O. B. Dorrance,		
Wm. B. Sewall,		

Edward Richardson, *Cashier.*

CASCO BANK, (*Portland.*)

OFFICERS.

Eliphalet Greeley, *President.*

Nath'l Blanchard,	}	<i>Directors.</i>
Nathan Cummings,		
Wm. Evans,		
Martin Gore,		
Charles Mussey,		
Phineas Varnum,		

John Chute, *Cashier.*

CANAL BANK, (*Portland.*)

OFFICERS.

S. R. Lyman, *President.*

J. P. Boyd,	}	<i>Directors.</i>
T. Hammond,		
W. Kimball,		
A. Shaw,		
N. Warren,		
W. W. Thomas,	}	
J. B. Scott, <i>Cashier.</i>		

CITY BANK, (*Portland.*)

OFFICERS.

Levi Cutter, *President.*

J. B. Cahoon,	}	<i>Directors.</i>
Noah Hinkley,		
John Dunlap,		
Luther Jewett,		
Wm. Woodbury,		
Marshall French,	}	
Reuben Mitchell, <i>Cashier.</i>		

COMMERCIAL BANK, (*Bath.*)

OFFICERS.

Jacob Robinson, *President.*

Samuel G. Bowman,	}	<i>Directors.</i>
Wm. D. Sewall,		
Gilbert Trufant,		
Thomas M. Reed,		
Thomas Agry, <i>Cashier.</i>		

CITIZENS' BANK, (*Augusta.*)

OFFICERS.

Reuel Williams, *President.*

John Dole,	}	<i>Directors.</i>
G. C. Child,		
A. Lambard,		
Jno. Means,		
J. L. Child,		
E. Craig, Jr.		

Carleton Dole, *Cashier.*CALAIS BANK, (*Calais.*)

OFFICERS.

George Downs, *President.*

William Pike,	}	<i>Directors.</i>
Samuel Kelley,		
Luther C. White,		
Francis Swan,		

William Dunning, *Cashier.*CENTRAL BANK, (*Hallowell.*)

OFFICERS.

Calvin Spaulding, *President.*

Oliver Otis,	}	<i>Directors.</i>
Jno. Fitch,		
Jno. Smith,		
Ichabod Nutter,		

Artemas Leonard, *Cashier.*

DAMARISCOTTA BANK, (*Nobleboro'.*)

OFFICERS.

Simon Handley, *President.*

John Glidden,	}	<i>Directors.</i>
Josiah Myrick,		
Thaddeus Weeks,		
Wm. P. Harrington,		
E. D. Robinson,		
Eben. Farley,		
Joseph Day,		
James Drummond,	}	

Thomas Little, *Cashier.*

Discounted to stockholders before the whole amount of Capital Stock was paid—Directors liable for considerable more than the law allows. The board of Directors it appeared had inadvertantly fallen into this error and promised that it should be immediately corrected.

EXCHANGE BANK, (*Portland.*)

OFFICERS.

Ashur Ware, *President.*

E. Day,	}	<i>Directors.</i>
S. Hanson,		
C. Jones,		
W. P. Preble,		
John Rand,		
H. R. Stickney,		

J. J. Brown, *Cashier.*

FRANKFORT BANK, (*Frankfort.*)

OFFICERS.

Benjamin Shaw, *President.*

Nehemiah Rich,

Elisha Chick, Jr.

William B. Reed,

Oliver Parker,

*Directors.*Benjamin Johnson, *Cashier.*

Directors' records imperfect, as were some of the other books. These defects it appeared resulted from want of practical knowledge, on the part of the officers, who manifested a proper solicitude on the occasion, as well as a desire to pursue a correct course hereafter.

FRONTIER BANK, (*Eastport.*)

OFFICERS.

Aaron Hayden, *President.*

Charles Peavey,

Joseph C. Noyes,

Jesse Gleason,

Jonathan Buck,

John A. Balkham,

Jeremiah Fowler,

*Directors.*Edward Ilsley, *Cashier.*

Went into operation without 50 per cent. of the capital stock being held by the corporators. It however appeared that several of the original subscribers to the stock were left out of the charter by accident, which is more fully detailed in a document

signed by the President and Directors and annexed to the general statement of the Bank. In all other respects the organization appeared to be perfect. The books are properly kept, and the general concerns of the Bank well managed.

FRANKLIN BANK, (*Gardiner.*)
OFFICERS.

Henry Bowman, *President.*

John Otis,	}	<i>Directors.</i>
Eben. F. Dean,		
Stephen Young,		
Joseph Eaton,		

Hiram Stevens, *Cashier.*

FREEMAN'S BANK, (*Augusta.*)
OFFICERS.

Benjamin Davis, *President.*

John Mulliken,	}	<i>Directors.</i>
W. H. Kittredge,		
W. F. Hallett,		
P. B. Mooers,		

H. Spaulding, *Cashier.*

GLOBE BANK, (*Bangor.*)
OFFICERS.

Solomon Parsons, *President.*

Calvin Dwinel,	}	<i>Directors.</i>
John Appleton,		
Charles Cooper,		
Samuel Smith,		

S. K. Howard, *Cashier.*

GRANITE BANK, (*Augusta.*)

OFFICERS.

Edmund T. Bridge, *President.*

Joseph Chandler,	} <i>Directors.</i>
Wm. A. Brooks,	
Alfred Redington,	
Wm. Woart, Jr.	
Eben Fuller,	
Geo. W. Stanley,	

Silas Leonard, *Cashier.*GARDINER BANK, (*Gardiner.*)

OFFICERS.

Samuel C. Grant, *President.*

R. H. Gardiner,	} <i>Directors.</i>
Arthur Berry,	
Joshua Lord,	
Frederic Allen,	

Edward Swan, *Cashier.*

At the time of examination (Dec. 10th) the liabilities of Directors was \$34,470 $\frac{76}{100}$, a larger sum than the law allows. The officers stated that the excess was inadvertent and accidental, and the Cashier says in a letter under date of December 13th, 1836 "that the liabilities of the Directors have this day been reduced in the sum of \$2000, so that the whole amount of their liabilities is now only \$32,470 $\frac{76}{100}$." This prompt compliance with the requirements of law is a guarantee that the

Bank will as heretofore be so managed as to entitle it to the confidence of the public.

KENDUSKEAG BANK, (*Bangor.*)

OFFICERS.

John Wilkins, *President.*

George W. Pickering,	}	<i>Directors.</i>
Joseph R. Lumbert,		
E. H. Allen,		
Abner Taylor,		

T. S. Dodd, *Cashier.*

LINCOLN BANK, (*Bath.*)

OFFICERS.

George T. Patten, *President.*

Levi Houghton,	}	<i>Directors.</i>
Joshua Page,		
Asa Palmer,		
Samuel Gray,		
A. R. Mitchell,		
Henry Hyde,		

Green Richardson, *Cashier.*

LIME ROCK BANK, (*East Thomaston.*)

OFFICERS.

Knott Crockett, *President.*

Iddo Kimball,	}	<i>Directors.</i>
Charles Holmes,		
Joseph Hewitt,		
Reuben Sherer,		
John Lovejoy,		

William Thomas, *Cashier.*

Went into operation without 50 per cent. of the capital stock being held by the corporators—discounted to stockholders before the whole amount of capital stock was paid. These errors seemed inadvertent rather than a wilful disregard of the law. The sound state of the Bank as well as the careful, business-like character of the officers, leave no reason to doubt that it will not only deserve the confidence of the public, but be useful to the place and vicinity where it is located.

LA FAYETTE BANK, (*Bangor.*)

OFFICERS.

Thomas A. Hill, *President.*

Joseph Carr,	}	<i>Directors.</i>
George Starrett,		
Joseph C. Stevens,		

E. T. Coolidge, *Cashier.*

MANUFACTURERS' BANK, (*Saco.*)

OFFICERS.

Josiah Calif, *President.*

John Fairfield,	}	<i>Directors.</i>
Abel Hersey,		
Nath'l Burbank,		
Amos Chase,		
Trist. Jordan, Jr.		
Samuel White,		

S. S. Fairfield, *Cashier.*

MAINE BANK, (*Portland.*)
OFFICERS.

Albert Newhall, *President.*

Isaac Ilsley,	}	<i>Directors.</i>
Israel Richardson,		
Hezekiah Winslow,		
Nath'l Mitchell,		
Samuel Chadwick,		
A. W. H. Clapp,		
Joseph Swift, <i>Cashier.</i>		

MERCHANTS' BANK, (*Portland.*)
OFFICERS.

William Woodbury, *President.*

Philip Greely,	}	<i>Directors.</i>
George Warren,		
Rufus Emerson,		
Josiah Dow,		
Jona. Tucker,		
Charles Kimball,		
John Oxnard, <i>Cashier.</i>		

MANUFACTURERS' AND TRADERS' BANK, (*Portland.*)
OFFICERS.

Joshua Richardson, *President.*

Nath'l F. Deering,	}	<i>Directors.</i>
Mason Greenwood,		
Stephen Waite, Jun.		
Neal Dow,		
Lewis Pease,		
Edward Gould, <i>Cashier.</i>		

MARINERS' BANK, (*Wiscasset.*)

OFFICERS.

William M. Boyd, *President.*

Henry Clark,	}	<i>Directors.</i>
John Brooks,		
John H. Sheppard,		
Samuel Alley,		
James McCarty,		
Wilmot Wood,		
S. P. Baker, <i>Cashier.</i>		

MAINE EASTERN BANK, (*Bangor.*)

OFFICERS.

Amos M. Roberts, *President.*

Mark Trafton,	}	<i>Directors.</i>
Cyrus Moore,		
John Bradbury,		
Allen Haines,		
Wm. H. Mills, <i>Cashier.</i>		

MERCANTILE BANK, (*Bangor.*)

OFFICERS.

John Hodgdon, *President.*

Samuel Farrar,	}	<i>Directors.</i>
Waldo T. Pierce,		
Henry Warren,		
Hezekiah Williams,		
Cyrus Goss,		
Samuel Harris, <i>Cashier.</i>		

MEDOMAK BANK, (*Waldoboro'*.)

OFFICERS.

George D. Smouse, *President*.

Frederic Castner,	}	<i>Directors.</i>
Samuel Morse,		
James Cook,		
Henry Kennedy,		
John Bulfinch,		
Alexander Palmer,		

James R. Groton, *Cashier*.MEGUNTICOOK BANK, (*Camden*.)

OFFICERS.

William Carleton, *President*.

Joseph Jones,	}	<i>Directors.</i>
Jacob 'Trafton,		
Samuel A. Whitney,		
Joseph C. Slitnere,		
Samuel G. Adams,		
Elisha Gilkey,		

Warren Rawson, *Cashier*.

Did not commence business till after the Banks in the eastern section of the State had been examined ; which precluded the Commissioners from looking into the organization, &c. A list of the stockholders, and a statement certified by the President and Cashier, has been communicated ; from which it appears that fifty per cent. of the capital stock is not held by the corporators, and that the

first instalment was paid in on the eighth of December, 1836, more than six months after the law establishing the Bank was enacted.

NORTHERN BANK, (*Hallowell.*)

OFFICERS.

S. Kingsbery, *President.*

John Agry,	}	<i>Directors.</i>
John Gardner,		
W. Emmons,		
F. Glazier,		
S. Kendall,		
David Brown,		

William Vaughan, *Cashier.*

NEGUEMKEAG BANK, (*Vassalboro'.*)

OFFICERS.

Edward Southwick, *President.*

Jacob Southwick,	}	<i>Directors.</i>
Caleb Nichols,		
Eben. Frye,		
Samuel Cole,		

Daniel Tiffany, *Cashier.*

Discounted to Stockholders before the whole amount of capital stock was paid. Records deficient—by a letter however, from the Cashier, written after the examination, it appears that the defects in the records, &c. have been rectified.

PEOPLES' BANK, (*Bangor.*)

OFFICERS.

Wm. D. Williamson, *President.*

Joshua Carpenter,	}	<i>Directors.</i>
Isaac Hodsdon,		
Albert G. Jewett,		
Theodore P. McIntire,		
Charles Stetson,		
Jabez True,		

Th. P. Drowne, *Cashier.*PENOBSCOT BANK, (*Bangor.*)

OFFICERS.

Isaac Farrar, *President.*

William Emerson,	}	<i>Directors.</i>
E. G. Rawson,		
Jonathan Farrar,		
Eleazer Colburn,		

John Wyman, *Cashier.*SOUTH BERWICK BANK, (*South Berwick.*)

OFFICERS.

William A. Hayes, *President.*

Timothy Ferguson,	}	<i>Directors.</i>
William Aight,		
Theodore J. Jewett,		
Benjamin Nason,		
Samuel Parks,		
Josiah W. Seaver,		

Charles E. Norton, *Cashier.*

SAGADAHOCK BANK, (*Bath.*)

OFFICERS.

Joseph Sewall, *President.*

Tho's D. Robinson,	}	<i>Directors.</i>
Tho's Harwood,		
John Smith,		
Charles Potter,		
William Purington,		
Wm. M. Reed,		

Daniel F. Baker, *Cashier.*SAINT CROIX BANK, *Calais.*

OFFICERS.

Cyrus Hamlin, *President.*

Geo. F. Wadsworth,	}	<i>Directors.</i>
D. F. Barnard,		
Jeremiah Curtis,		
Noah Smith, Jr.		

James L. Pike, *Cashier.*

Organization imperfect—no notice for calling the first stockholders' meeting—Directors' records deficient—Cashier not sworn. The officers of the Bank did not appear to be aware of these defects till they were pointed out to them, and manifested a disposition to remedy the deficiencies as speedily as possible.

STILLWATER CANAL BANK, (*Orono.*)

OFFICERS.

Edward Kimball, *President.*

Nath'l Treat,	}	<i>Directors.</i>
A. W. Babcock,		
Levi Hamblen,		
F. S. Fuller,		

E. P. Butler, *Cashier.*

Levi Hamblen, one of the Directors, was on the Cashier's Bond. Mr. Hamblen however was chosen Director after the bond was executed, and in a letter written from the Cashier after the examination, he says, "A new Bond is now filed, not liable to the objections which I well knew was contrary to law."

SKOWHEGAN BANK, (*Bloomfield.*)

OFFICERS.

Samuel Weston, *President.*

John G. Neil,	}	<i>Directors.</i>
Calvin Selden,		
Joseph Patten,		
Abner Coburn,		
Stephen Weston,		
Eben. H. Neil,		

Samuel Philbrick, *Cashier.*

THOMASTON BANK, (*Thomston.*)

OFFICERS.

Edward Robinson, *President.*

Hezekiah Prince,	}	<i>Directors.</i>
William McLellan,		
Amos H. Hodgman,		
William Singer,		
William Cole,		
Barnabas Webb,		

John Paine, *Cashier.*

Last semi-annual dividend $4\frac{1}{2}$ per cent. This was too large a dividend to be made while a deficiency of \$2,635 $\frac{72}{100}$ existed, especially as the Bank had at the same time considerable amount of dishonored paper on hand. Two of the Cashier's bondsmen Directors. They however were chosen after the bonds were executed.

TICONIC BANK, (*Waterville.*)

OFFICERS.

Timothy Boutelle, *President.*

Asa Redington,	}	<i>Directors.</i>
Moses Appleton,		
Jed'h Morrell,		
Alpheus Lyon,		

Augustine Perkins, *Cashier.*

UNION BANK, (*Brunswick.*)

OFFICERS.

David Dunlap, *President.*

William Frost,	}	<i>Directors.</i>
Abner B. Thompson,		
Samuel Perkins,		
Isaac Lincoln,		

Eben. Everett, *Cashier.*WALDO BANK, (*Belfast.*)

OFFICERS.

Alfred Johnson, Jr. *President.*

R. B. Allyn,	}	<i>Directors.</i>
H. O. Alden,		
H. J. Anderson,		
W. G. Crosby,		
Thomas Marshall,		

James White, *Cashier.*

By the Directors' records it appears that one Director had for a considerable length of time, discounted all the paper received by Waldo Bank. This manifestly improper course the President said should be corrected hereafter.

WASHINGTON COUNTY BANK, (*Calais.*)

OFFICERS.

R. Whidden, *President.*

Seth Emerson,	}	<i>Directors.</i>
Elijah D. Green,		
Stephen Emerson,		
S. L. Lowell,		

H. Tweed, *Cashier.*

No stockholders' book of records could be found in the Bank. These existing only on loose pieces of paper—no proceedings of the stockholders' annual meeting for the choice of officers for the present year could be produced.

YORK BANK, (*Saco.*)

OFFICERS.

Jonathan King, *President.*

Joseph M. Hayes,	} <i>Directors.</i>
John Shepley,	
John Chadwick,	
Daniel Cleaves,	

Henry S. Thatcher, *Cashier.*

This Bank has made certain advances to the York Manufacturing Company, and taken as collateral security therefor, a note signed by two individuals, residing out of this State, for Ten Thousand dollars. By a condition annexed to the note, it is to be considered good for such sum or sums, not exceeding Ten Thousand Dollars, as the York Co. may draw from time to time. It has also made advances to Wm. Lord of Kennebunk for the purpose of purchasing drafts, and checks on Boston. We do not hesitate to state, that such practices are, in our opinion, departures from sound Banking usage, and if permitted to any considerable extent, would not

only jeopard the capital of Banks, but defeat the object for which they are chartered.

We have received from a respectable source a representation in relation to the York Bank, and a replication to the same, which we have the honor to annex to a general statement of this Bank.

It is gratifying to be able to state that the law providing for the suppression of small bills, has been carried into faithful operation so far as it depended on the Banks—although we regret to say that the circulation of those bills, has, in many instances, been not only encouraged but directly engaged in by individuals. These bills have now to a great extent been withdrawn from circulation—and probably the time is not distant when they will all be withdrawn, provided *small bills of Banks out of the State can be suppressed.*

As the officers of Banks are permitted by law to make use of such forms and impressions of bills as they deem proper, there is a great variety put into circulation, and experience will determine their comparative liability to be counterfeited. We found no instance of those from Perkins' Stereotype Plate with check backs, ever having been counterfeited—And although fashion or caprice has in a great measure driven them out of use, we believe there is no impression extant which affords greater security against the skill and ingenuity of counterfeiters.

We found no uniformity in the appointment, term of office or duties of Cashier. Some were appointed for an indefinite term of time, and gave bonds, were sworn, and have continued in office many years under the same bond. In such cases should the Cashier prove unfaithful, there would seem to be danger of losses by death, removal, or insolvency of bondsmen ; in other cases they are appointed and give bonds annually. In connexion with this subject the undersigned would suggest the propriety of requiring Cashiers in all cases, to renew their bonds at stated periods—and we would also suggest to the officers of Banks whether it would not be for their safety and convenience to make Cashiers in all cases their recording officers, as is now done to a considerable extent.

We are satisfied that the practice of pledging their own bills for the purpose of raising funds, has been resorted to by some of the Banks in this State during the recent pressure. This practice if carried to any considerable extent, must render a Bank unsafe, and is therefore a fraud upon the public.

The letting out of bills with the understanding that they shall not be put into circulation until the expiration of a given period, cannot be considered a legitimate banking operation ; no such stipulation ought to be made. Bills so disposed of are, in fact, notwithstanding this arrangement be made, as much beyond the control of the Bank, as if they had

been paid out at its counter. The receiver it is true, may pledge his honor that they shall be kept out of circulation—but on the slightest alarm for the safety of the Banks, they are liable to be thrown into market by the individual in whose hands they may have been placed as collateral security, and the institution called on to redeem them.

We found no uniform rate of Exchange on domestic bills. In Portland, some of the banks take $\frac{1}{4}$ of one per cent. without regard to time—others take $\frac{1}{8}$, $\frac{1}{4}$ and $\frac{1}{2}$ per cent. per month. Making the amount of exchange depend on time is an indirect mode of obtaining unlawful interest, and ought at once be discontinued.

Of the fifty-five Banks which we examined, all make permanent deposits in Boston excepting fourteen, viz : Nine in Portland, South Berwick Bank, Augusta Bank, Mercantile and Eastern Banks, Bangor, and Agricultural Bank, in Brewer.

The two Banks at Bangor deserve particular commendation. These Banks formerly complied with the requisition of the Suffolk Bank for the privilege of redeeming their bills in Boston, with current money ; but that Bank, having as the Directors say, violated the arrangement between them, they withdrew their deposits, and have for several months redeemed their bills with specie only, and at their own counters.

They have as will be seen by the Abstract, a

liberal supply of specie in proportion to their bills in circulation, and are entitled to the unlimited confidence of the community. The Boston alliance, as was to be expected, have constantly sent home their bills for specie, but all calls have thus far, and will we doubt not, continue to be promptly met. Former attempts to resist this alliance, formed for the purpose of controlling the pecuniary resources of New England, have proved unsuccessful ; nor is it probable that two or three Banks can now contend against it with any prospect of success. Whether the present system of “ paying tribute to Boston ” is susceptible of improvement, or how far it is consistent with the interest and honor of the State ; or whether the evils which result from its operation are of sufficient importance to call for Legislative action, are questions which we shall not undertake to decide.

Our Banking system, as at present organized, is a species of monopoly which has grown out of our mode of doing business ; and although it is on some accounts liable to objections, so popular has the circulation of paper become from its convenience, and capability of augmentation in quantity, that a renunciation is not probable.

When properly conducted, Banks are unquestionably highly beneficial to the commercial community. Since however these institutions must neces-

sarily be managed by those whose interest it is to render them productive, the Legislature has wisely provided that they shall be subject to frequent examination.

Those who receive charters sometimes lose sight of the relation in which they stand to the Government and to the community ; and instead of regarding them as trusts committed to their charge for the convenience and accommodation of the public, consider them as grants made for their private advantage alone. From this erroneous view of the subject has arisen that shadowy pretence of independent vested rights, so often and so strenuously asserted in violation of the spirit and principles of our Government, in subversion of the law, and at war with our constitutional rights.

It ought not to be forgotten that when banking corporations fail to answer the purposes for which they were created, the Legislature have, "and of right ought to have," the power to alter, restrict or rescind their charters at pleasure. Keeping this principle in view it will be apparent that those who are engaged in the business of banking are in one sense the servants of the public, entrusted with special, limited privileges—that they are at all times answerable for the abuse of those privileges—and that they cannot with impunity so far lose sight of their responsibility to the Government, and their

duty to the public, as to convert the institutions under their direction into organs of oppression. without receiving the just indignation of every good citizen of the State.

Respectfully submitted.

JUDAH DANA, } *Commissioners.*
P. H. GREEN, }

STATE OF MAINE.

IN SENATE, JANUARY 25, 1837.

This Report was laid upon the table, and *Ordered*,
That 1000 copies be printed for the use of the Legisla-
ture.

(Extract from the Journal.)

Attest, WILLIAM TRAFTON, *Secretary*.