

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE,

OF THE

STATE OF MAINE,

DURING ITS SESSION

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TWENTIETH LEGISLATURE.

NO. 7.

HOUSE.

REPORT

OF THE

BANK COMMISSIONERS.

JANUARY, 1840.

[SMITH & ROBINSON,.....Printers to the State.]

To the Senate and House of Representatives :

I herewith lay before you the Report of William D. Williamson, Esq. one of the Commissioners appointed "to inquire into and examine the doings and transactions of the several incorporated Banks in this State, under the Act of March 31st, 1831.

JOHN FAIRFIELD.

COUNCIL CHAMBER, }
January 17, 1840. }

REPORT.

*To the Governor and Council
of the State of Maine :*

EARLY in September last, the undersigned, one of the Bank Commissioners, commenced the examination of the several banking institutions in the State, and pursued the undertaking till finished, without assistance. His colleague, Mr. Levensaler, being engaged in a contract of a public character, was unable to leave it in season to join in the service. The result of the examination, the undersigned respectfully submits by the following

REPORT.

In discharge of his duties, he carefully examined the books, counted the money, and looked at the discounted paper in each of the several Banks; and also made minutes as he proceeded. As every Corporation speaks only by its records, they ought to be so perfect as to render them legal evidence in any Judicial Court. Hence they should be kept in due form, by one expressly appointed to the trust, acting under the sanctions of an oath; and appear signed or attested by him in his official capacity. This must be contemplated by the Statute, which requires every Cashier to be sworn to the faithful performance of his duties, before he enters upon them. How could a Bank shew a legal organization in the choice of Directors, or any transaction of business, unless by records so kept, and of such a character? Or otherwise prove, there was "the assent of a majority of them" to all their proceedings, which the law says shall "always be necessary." For if there be, at any time, a

mere majority of the Directors present, they must be unanimous—a single dissenting voice being a veto effectual to any proposed measure.

In most of the Banks, the *Stockholders' Records* appeared to have been kept in legal form and in good order. Those of the *Directors* seemed to exhibit the greatest imperfections. They ought to shew a meeting of them as often as their by-laws stipulate,—the names of such as are present, either their own signatures or an entry of them by the recording officer; and in discounting, there should be recorded a vote—to discount notes and bills amounting to ———— dollars, as per discount book. As both books should be kept by a person duly appointed and sworn, would it not be well for every Bank to adopt the by-law some have established, that *the Cashier record the votes and doings, both of the Stockholders and of the Directors*. Thus the records would appear in a good and uniform hand writing, kept in a legal manner by a sworn officer, and generally by one disinterested, as Cashiers are not often stockholders. For though it be true in many Banks, that a Secretary or Clerk be duly chosen to record proceedings, there are frequent instances in which he can shew no evidence of having been sworn. Some Banks produced two books of Directors' records, one of discounts made, and the other of action on other business. A few, shew meetings without the names of the Directors present; or without stating what was done; or without the signature or attestation of any person. There were also some smaller imperfections, which might, with a little care, be easily prevented.

All the other books in the several Banks are kept by their Cashiers, who were uniformly found to have been duly appointed, sworn, and given bonds as the law directs,—assisted in a very few instances by book keepers. Each Cashier renews his bond every year; and in some Banks, he is as often reappointed and newly sworn. In others, his appointment and oath are so expressed as to embrace the whole period he may continue in that office. A certificate of his oath not unfrequently appears on the bond; whereas, it ought to be entered on the

records of the Directors, and thus become itself a record. There is in some of the best regulated Banks, a by-law, which expressly disallows the Cashier to engage in any trade, commerce, navigation or brokerage, or render himself anywise liable for another, without the antecedent consent of the Directors. But in two or three other Banks, his liabilities were so large, that names and cases ought to be reported, hereafter, unless the evil be corrected.

In skilful book-keeping, it has been a rule to use the fewest books and fewest figures, consistent with a complete system of doubly entry. Nevertheless, to keep the affairs of a Bank, in good order, every Cashier finds about a dozen different books necessary for his purpose. Yet it is an occasion of no inconsiderable regret, that several of them are kept, with no more general uniformity. There is among the many, always a best form; and when ascertained, it ought to be eagerly adopted.

Of the three *Stock Books*, namely: 1, the *Stock Journal*; 2, the *Stock Leger*, and 3, the *Transfer Book*, it may be said, they severally partook of great uniformity in each of the Banks. The first, exhibits the names of the original Stockholders, and a day-book form of sales; the second, opens an account with each Stockholder by name, and shews the number and amount of his shares, as credited him; and the third, contains all formal assignments made of shares sold. A certificate is given to each Stockholder, stating the number of shares he owns; which certificate he endorses and delivers to the purchaser when he buys the shares; the Bank, according to the Act of March 15, 1838, not recognizing the conveyance, till such endorsed certificate is presented, and “the transfer entered on the corporate records, so far as to shew the names of the parties, and date of the transfer.”

4. *The Offering Book, Application Book, or Discount sheet*, though of these several names in different Banks, mean the same, being an exhibition of the paper presented for discount, and the action of the Directors on each piece, as marked by

affixing some letter significant of the disposition made of it. This is frequently subscribed by a majority of the Board.

5. The *Discount Book*, is indispensable; for, in this is entered all the paper, that is from time to time discounted. It ought to shew the day of discount; the date of the paper; names of the persons holden; the period it is to run; the time and place when and where payable; the amount; the discount reserved, and the net sum paid out. Some Cashiers add, the number of each demand; the capacity in which each person is holden, as principal, surety, endorser, and acceptor; the day the money is actually paid out; the name, or initials, of the person to whom paid; and the exchange when any in addition to the discount is reserved. The columns of each week's work are footed, and the amount transferred to the Journal and posted.

But the forms in which different Cashiers keep this book, are various, and in some instances defective. Sometimes two books are used, one for notes and the other for drafts; or one for paper payable at the same Bank, and the other for that payable abroad. There are, also, two classes of discounted paper; one embraces all *business* notes and drafts, which originate in the ordinary transactions between man and man;—these are the endorsed securities. The other is denominated *accommodation* paper—made purposely to obtain the loan, commonly drawn joint and several; payable in two, three, or four months, or sixty, ninety, or one hundred and twenty days, with grace, and running directly to the Bank. Discount is usually cast by Rowlett's tables, though in a few Banks, by Prescott's, a later writer. It is an universal practice through the State, when a note is payable in months, to call every month *thirty* days, in whatever part of the year the time occurs, and the discount or interest is cast accordingly. In many places, the accommodation notes exhibit, sometimes above the signatures, and sometimes in the margin, a condition of this purport—"This note may be renewed from time to time, for the whole amount, or any part thereof, as may be agreed upon by the Directors of said Bank, and the principal, without relinquishing the sure-

ties." This course is adopted, to enable the Directors with perfect safety to renew the note, or rather extend the payment from period to period, any length of time, on the payment of stipulated checks, or even on the advancement of the discount only. To the question—why not require a new note on a re-discount or renewal; the answer has been, it would put the party to needless trouble;—it frequently cannot be done, because of absences; and it would be innovating upon no very objectionable usage of the place. But it is a manner of business, believed to be fraught with serious evils. The paper after the first period of discount, appears over due; unwary sureties suffer risk, and may by lapse of time sustain damage; the sums checked and paid are oftentimes endorsed carelessly on the note; and in some instances, the sum paid is not entered upon the note itself—only on the envelop. Not a few of this class are three or four years old; and on one, which was not a solitary individual, there appeared fifteen endorsements. This course also brings confusion into the system of book-keeping, especially into the Discount book. For these notes so renewed, or extended, are, it is true, re-entered upon that book, and also the amount of the discount taken, but the notes themselves are carried no farther. They were originally charged on the Leger, to the account of notes and bills discounted, to which, when the checks or instalments are paid, they are credited there, and thus an equation or balance is effected.

In several Banks, the Offering book and the Discount book are blended—all the names in the former not being inserted in the latter; and there are other discrepancies. By law, a Bank discounting drafts or inland bills of exchange, may charge or take, besides the lawful interest, the existing rate of *exchange* between the place of discount and that of payment; and this was found very seldom to exceed one per cent. beyond the expenses of collection. Between most of our towns and Boston, the premium of exchange, especially in the summer season, does not exceed half of one per cent. The sum reserved, whatever it be, ought to be entered on the Discount book, sep-

arate from the discount itself; for if they be united in one sum, as is sometimes done, the amount apparently exhibits too much discount reserved.

In examining the discounted paper, it was observed, that the Directors in the best regulated and most solid Banks, always require three good and sufficient names. In these, and many others, the notes were generally of recent date or discount, and in good order. Such Banks make good dividends, and sustain few losses. In numerous cases, a more careless course cannot be justified; for by law, "no loan shall be made by any Bank, without at least two responsible names"; yet notes are frequently discounted, especially to Directors and Stockholders, where neither of the two can be pretended to be responsible and sufficient; and some Banks are in the habit of accepting a single name, and in lieu of another they take collateral security, which however does not appear on the discount book. The most prominent rocks upon which Banks have been wrecked or damaged, are these two:—*loans to individuals too large, and the acceptance of securities too feeble.* The law has set guards at these places. It has expressly provided, that the aggregate liabilities, or debts due to a Bank from its directors, "shall not at any one time exceed thirty-three and one third per cent. of the capital stock"; yet it is found by aggravated experience, that this is not a sufficient preventive of the apprehended evil. Most of the limited sum is borrowed by a part of the Directors—perhaps by those least able to pay; or if a sum large as one's desires cannot otherwise be obtained, he can resign his place at the Board, and then there will be no legal restriction to the amount of a loan. Would it not be a judicious provision of law, therefore, to make it penal for a Bank to allow the liabilities of any corporation, firm or person, to exceed at any time five per cent. of its capital stock? perhaps with an exception to acceptors of drafts resident without the State? In times of pressure or emergency, if the debtors to a Bank be numerous, each can pay some part, and relief administered;—if a few, and the amount of their debts large, they are the last in such

seasons from whom money can be collected. Nor is it often any eventual benefit, nay, it is generally a disadvantage to individuals, to have large loans. Such are, in fact, seldom desired by the wealthy; and of others, who have either not the capacity, or never knew how to accumulate property gradually, by an industrious, honest and economical course of life, it is often observed to be better for their character, and much better for their endorsers, if the loans were withheld. Money in possession has a natural tendency to inflate or infatuate weak minds as it has to corrupt depraved hearts.

But not only notes of large amount in a Bank, but those also *past due*, exhibit a forbidding aspect. It is true, they may be in a course of collection; or against deceased men, whose estates are under administration; they may be secured by mortgage or collateral paper; or they may be the "accommodation notes" previously mentioned; still it is certain they form no part of the active capital, nor does it appear that the interest or discount is promptly paid on them. Such securities, though possibly collectable, are found to be frequently, if not generally, doubtful; therefore a considerable amount of this class in Bank, must militate against its credit and standing. Indeed, it is a truism most palpable, *that the soundness, safety, profits, and even solvency of a Bank, depend almost entirely upon its paper, or securities.* An examination of these by the Commissioner, however, to any beneficial purpose, as attempted by him, was found to be among his most difficult duties; for his personal knowledge of the pecuniary abilities, or circumstances of those who signed or endorsed them, must be in general exceedingly limited. Yet it is to be believed, from all he saw and heard in the different Banks, that the several Boards of Directors have made, during the last year, great and successful efforts to collect, secure or improve their respective Bank paper; though there is still room in many institutions for a much farther improvement, which persevering exertions will unquestionably accomplish. The monetary agitations of the past year have exceedingly tried and tested Banks, as well as all individ-

ual credit; still it is thought, that the Stockholders, in many instances, will sustain heavy losses, and the bills of some few Banks, may be, for a period, uncurrent. The public will probably sustain no loss by any other than the Bank of Old Town. So highly important it is, that all Bank paper should be undoubtedly good, and so wise and salutary is the provision of law which requires at least two responsible names, to secure the payment of all sums loaned, would it not be fraught with wisdom to disallow a loan of a thousand dollars or upwards, without still more than two such responsible names? A by-law of the same purport has been adopted by several Banks, and proved in practice, to have been one of the most provident and useful in their code. So likewise in all such as are most carefully managed, no name, appearing on a paper over-due, will be accepted on a security for a new loan, so long as the delinquency remains.

6. *The Waste book, Cash book, Day book or Blotter*, though called by these several names, are used for one and the same purpose, each being a book of original entries, and the memoranda of all receipts and disbursements of each day, made as they occur. There is, however, among Cashiers, quite a different manner of keeping this book. Some have a separate *book* specially appropriated to depositors, in which are entered their names, and the sums they deposit in one column, and their checks in another, so that by footing the columns at night, and comparing the results with those of the preceding day, there will be seen at once, the general state of all deposits. Others enter on the *Blotter*, only the sums received or paid in, which are carried to distinct columns, as deposits, payments on notes due, and all items of gain; and as sums paid out are on checks, notes or drafts discounted, bills receipted, or some written memorandum retained, they are all laid in the draw till the close of Bank hours, when they journalize from these and the above named entries. In some Banks, this book exhibits the receipts and disbursements on opposite pages, in the form of debit and credit, with columns daily footed, showing the items and state

of the money transactions of every day. Here the careful Cashier makes his entry the next instant after the act is done.

7. The *Journal* is the next book—made up by classifying, arranging and entering, the entire proceedings of every day, or at least of every week. For the footed amount of notes and bills discounted, and of the discount itself, is transferred by many, or even most Cashiers, from the Discount book to the Journal, only as often as the discount days recur—usually once each week. Here all the items and entries, relative to every Bank's affairs, must appear under proper heads, and in distinct form—the principal book in the whole system of double entry. It is to be regretted, therefore, that it should be kept so variously in different places. As all the affairs and interests of any Bank are in dollars and cents, the most skilful book-keepers make their entries on the Journal, under the heading, "Cash Dr. to Sundries," for deposits received, naming each depositor; for discounted notes and bills paid in; discount or interest retained, and any other item of receipt—followed by entries headed thus—"Sundries Dr. to Cash,"—[equivalent to cash credit] for checks paid; for paid out on discounted notes and bills; for Bank charges—and for every other disbursement. In some Banks these entries are footed, balances struck and carried forward; in others, the columns are not added up except to form footings for the Ledger. Some keep this book in the merchant form of debit and credit, on opposite pages, which exhibit the additions and balances, periodically and duly entered—the footed amounts being carried to the debit and credit of the *cash* account on the Ledger. In a few Banks, the amounts of the notes and bills discounted, and the discount itself, are not brought into the Journal—but posted directly from the Discount book, to the Ledger account of those items. In fine, there are instances, in which there is no Blotter—or rather that and the Journal are one book.

8. The *Ledger*, embracing results, amounts and aggregate items, under appropriate heads, is kept everywhere with great

uniformity. For every Cashier opens an account with Bank stock, Bank bills, notes and bills discounted, cash, profit and loss, dividends, and each individual depositor by name. Most of the differences apparent in keeping this book, consist in the greater or less number of accounts opened. All exhibit accounts with real estate, where they have any; with individual Banks, when there is business with them; and generally an aggregate account with depositors. In some places there is a Deposit Ledger, exclusively devoted to individual deposits and checks. Two or three Cashiers credit under each individual's name, his deposit; debit his check underneath and subtract it, then add the next deposit to his balance, and thus credit and debit to the end of the account. All items which must ultimately go into the debit or credit of profit and loss, some Cashiers carry immediately to that account; others having regard to the character of the items, open correspondent accounts, as with discount, interest received on demands past due, exchange and damages, on the one hand; and Bank charges, expenses, and lost debts on the other. Some open separate accounts with notes, drafts and acceptances, and notes and bills receivable; the latter comprising such as are taken for debts or rent. A "suspense account," when it appears on a Ledger, is of various import in different Banks. In a few, it embraces demands delivered to an Agent or Solicitor for collection; in others, it embraces drafts and bills *in transitu* to the place of destination; the account being charged to the correspondent, and credited here, when he acknowledges he has received it; or sometimes it is the Ledger account of demands taken from the notes and bills discounted, which are supposed to be uncollectable, and which are entered and described in what some are pleased to call their "Black book." All the accounts in this book are footed at the bottom of each page, or oftener, and the balances carried forward.

9. The *Dividend book* is quite uniform in the manner of its being kept. It exhibits a full list of the Stockholders; the num-

ber of his shares and amount of his dividend; also his receipt. Most Cashiers credit cash as they pay out the dividend; a few others, however, lay aside the whole amount of the dividend, credit cash as if actually paid out; and disburse it as individual Stockholders call for it.

10. *The book of weekly statements, of weekly exhibits or of trial balances*, exhibits at a single view, the whole liabilities and resources of the Bank in detailed items. This is generally quite perfect; though sometimes devoid of perspicuity, as when it swells the item of cash or money on hand, by blending with it, all the bills of the Bank; or making one perpendicular list of items, and carrying them out severally under different heads, without opposite or counter balances.

11. *A registry of Bank bills*, shewing all that have been signed by the President, ought to be kept both by him and by the Cashier. There should also appear in the one kept by the latter, the amounts of the different denominations issued and destroyed,—and all duly footed. A serious disparity has appeared in two or three banks, between the Registry and the Ledger account of the Bank bills signed and issued.

12. *The Teller or Note Book*, is that in which are entered all the discounted paper, under post dates, shewing the month and day, when each particular piece falls due. This has in view two objects,—one is to shew how much will become due on each future day; and the other, to admonish Cashiers of the notices to endorsers, necessary to hold them and finally secure their responsibility, also of the seasonable time notes and drafts payable abroad must be transmitted to the place of payment. Such paper is sometimes exactly copied; and when sent away, the copy, having been its envelop, is kept on file.

Other Books are frequently used, such as Letter-books; Collection Books and a Minute Book of small items; but these, though convenient, do not properly belong to the system of bank book-keeping. To be well acquainted with this department of business is a great acquisition. In pointing out the

discrepancies, observed in the different banks, the Commissioner believes, that men of integrity, selected for their capabilities and skill, as our Cashiers are, would be able by thoughtful attention, to render the system much more uniform than it is in all its parts; and at the same time so perfect as to lessen their own labors, and also those of official examination.

In exhibiting the state of the individual Banks, it has been deemed expedient to classify them as they are located in the different cities and towns of the State.

In AUGUSTA, are four of these institutions, viz:—(1) the *Augusta*; (2) the *Citizens*; (3) the *Freemans*, and (4) the *Granite Banks*, with an aggregate capital of \$320,000.

(1.) Of AUGUSTA BANK, originally chartered, January 21, 1814, the Directors are Daniel Williams, *President*, Thomas W. Smith, Henry W. Fuller, James Child, Greenleaf White, Issacher Snell, and Eben Fuller, [the State Director,] all of Augusta; and the *Cashier* is George W. Allen.

TRIAL BALANCE.

<i>Liabilities.</i>		<i>Resources.</i>	
<i>Dr.</i>		<i>Cr.</i>	
Capital Stock,	\$110,000	Real Estate,	\$4,000
Bills in circulation,	65,666	Discounted paper,	178,790 20
Deposites,	39,253 19	Deposites in other	
Dividends unpaid,	24	Banks,	5,175 20
Profits on hand,	4,655 19	Loan to the State,	20,899 25
		Bills of other Banks,	4,977 22
		Specie,	5,656 51
	\$219,598 38		\$219,598 38

Liabilities of two Directors \$12,474—of all, \$14,524. The last year's dividend—eight per cent. The amount of taxes paid to the State by this Bank since the separation, March 15, 1820, is 20,800 dollars. Stockholders are 40, besides the State, which owns \$10,000. Quite a small amount of the discounted paper is supposed to be doubtful.

(2.) *Citizens' Bank*, chartered Jan. 23, 1833,—has Directors, John Dole, *President*, John Means, Elias Craig, James

L. Child, Henry R. Smith, James T. M'Cobb, Nathan Weston, all of Augusta, except the President, who is of Alna.—Carlton Dole, *Cashier*.

TRIAL BALANCE.

Dr.	Cr.
To Capital Stock, \$60,000	By Real Estate, \$6,000
Bills in circulation, 10,295	Discounted paper, 69,800 01
Deposites, 16,071 22	Due from other B'ks, 3,663 22
Profits on hand, 30 22	Bills of other Banks, 4,616
	Specie, 2,317 21
\$86,396 44	\$86,396 44

Liability of one Director \$5,940—of all, \$9,340. Last year's dividend four and one-half per cent. Bank tax paid to the State \$3,696 40. Stockholders 36 ;—discounted paper mostly of recent date.

(3.) *Freemans Bank*, chartered March 2d, 1833,—has Directors, Benjamin Davis, *President*, Daniel Waldron, James W. Bradbury, Watson F. Hallett, William H. Kittredge, all of Augusta, Prince B. Moore of Vassalboro' and John Mulliken of Hallowell. Office of *Cashier vacant*.

TRIAL BALANCE.

Dr.	Cr.
Capital Stock, \$50,000	By discounted paper, \$52,221 80
Bills in circulation, 26,398	Deposites in banks, 6,893 47
Deposites, 2,651 07	Loan to the State, 15,000
Profits on hand, 1,644 77	Bills of other banks, 3,589
All other debts, 342 39	Specie, 3,331 96
\$81,036 23	\$81,036 23

Liabilities of three Directors \$12,820; of all, \$13,821. Last year's dividend six per cent. Amount of taxes paid to the State \$3,125. Number of Stockholders 48;—amount of all the doubtful demands of the Bank, the President says, does not exceed \$1,000.

(4.) *Granite Bank*, chartered April 1, 1836,—has Directors, Joseph Chandler, *President*, George W. Stanley, William

Woart, jr., Wm. A. Brooks, Henry Williams and Moses Safford, all of Augusta, and S. Leonard, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$100,000	Real Estate,	6,000
Bills in circulation,	37,350	Discounted paper,	117,976 56
Deposites,	14,095 33	Due from other	
Dividends unpaid,	121	Banks,	5,000
Profits,	1,616 86	Loan to the State,	17,700
Due to other banks,	2,626 71	Bills of other banks,	3,715
		Specie,	5,418 34
	\$155,809 90		\$155,809 90

Liability of one Director \$3,600, of one nothing, of all \$10,093. Last year's dividend eight and one-half per cent. Amount of Bank tax paid to the State \$3,079.45. Number of Stockholders 64; a small amount of paper overdue; the books remarkably well kept.

In BANGOR are seven Banks, (1) *Commercial*; (2) *Bank of Bangor*; (3) *Eastern*; (4) *Globe*; (5) *Kenduskeag*; (6) *Lafayette*; and (7) *Mercantile*;—aggregate capital \$600,000.

(1.) The *Bangor Commercial Bank*, chartered April 1, 1831, (succeeded the *Bangor Bank*, incorporated 1814, revived June 17, 1817,) has Directors, John Fiske, *President*, James B. Fiske, Theodore B. McIntire and Leonard March, all of Bangor, and Ebenezer Trask, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$100,000	Real Estate,	\$4,255
Bills in circulation,	14,413	Discounted paper,	139,481 25
Deposites,	9,378 71	Due from other	
Due to Suffolk B'k,	19,980 64	banks,	532 26
Interest on same to		Interest on Notes	
Nov. 20, 1839,	566	past due,	2,165 52
Profits, undivided,	4,321 36	Bills of other banks,	625 03
		Specie,	1,600 65
	\$148,659 71		\$148,659 71

Liability of Mr. March, nothing; of the other Directors

\$15,616. No dividend since April, 1837. Amount of Bank tax paid to the State \$7,250; paid by the former Bangor Bank \$10,000. Number of Stockholders about 40. As many as 800 shares shifted hands, during the year prior to Nov. 20, '39. This Bank will probably lose \$40,000 by one man, and \$10,000 by another, both of whom have been Directors. The present Board are doing their utmost to sustain the Bank.

NOTE.—It is supposed that the Bank will derive much benefit from the large amount of real estate, conveyed, mortgaged and attached; still it affords no ready means to pay debts unless creditors will take it.

(2.) The *Bank of Bangor*, chartered Feb. 12, 1834,—has Directors, Samuel Veazie, *President*, Nathaniel Lord, John Bright, Franklin Adams, and John M'Donald, all of Bangor, and William P. Richardson, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$100,000	Real Estate,	\$0,000 00
Bills in circulation,	48,330	Discounted paper,	144,972 82
Deposites,	6,497 39	Due from other	
Dividends unpaid,	1,776	banks,	530 81
Due to other banks,	6,989 32	Loan to the State,	8,855
Profits on hand,	1,454 01	Bills of other banks,	6,362 66
		Specie,	4,325 43
	\$165,046 72		\$165,046 72

Liabilities, of one Director, *nothing*; of one \$500; of one \$15,238; of all, \$30,991. Last year's dividend six per cent. Amount of taxes paid to the State \$4,786.12. Number of Stockholders 14. Whole number of notes, drafts and acceptances in this Bank, 169. Of the discounted paper about half is over-due; of the other half \$45,400 are good drafts on Boston.

(3.) *Eastern Bank*, chartered March 21, 1835,—has Directors Amos M. Roberts, *President*, John Bradbury, William A. Blake, Samuel P. Strickland, and Daniel B. Hinckley, all of Bangor, and William H. Mills, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	8,000
Bills in circulation,	17,458	Discounted paper,	55,964 83
Deposites,	11,096 05	Loan to the State,	10,000
Dividends unpaid,	259 50	Due from Suffolk	
Due to other banks,	100	Bank,	432 64
Profits on hand,	1,574 57	Bills of other banks,	4,200
		Specie,	1,920 65
	\$80,518 12		\$80,518 12

Liabilities of Directors \$10,924,—none as principal. Last year's dividend three per cent. Amount of taxes paid to the State \$4,067.84. Capital stock reduced to \$50,000, May 25, 1839, under Act of March 22d preceding, by taking so much from the Stock, and hence making each share \$50 instead of \$100. Number of Stockholders 28. The notes and bills of this Bank are in number 50—in general, quite good.

(4.) The *Globe Bank*, chartered April 1, 1836, has Directors,—Solomon Parsons, *President*, Joseph Bryant, Benjamin Wiggin, Francis Shepherd and Samuel Smith, all of Bangor, and Daniel M. Howard, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Discounted paper,	98,145 75
Bills in circulation,	11,247	Loan to the State,	5,000
Deposites,	3,896 12	Stock in this bank,	15,130
Due to Suffolk B'k,	3,868 42	Debts and Bills of	
Profits on hand,	1,433 62	other banks,	648 24
		Specie,	1,521 17
	\$120,445 16		\$120,445 16

Liabilities of one Director 3,994 dollars, of all 6,524 dollars. The only dividend of this Bank, was April 3, 1837, of two per cent. Amount of taxes paid to the State \$3,069.86. Within the period of eight months prior to the 11th of October last, 1,200 shares changed hands. The present number of Stockholders is 29. The discounted paper consists of 73 demands; more than 50,000 dollars of which are thought to be doubtful,

the same man who is delinquent 10,000 dollars in the Bangor Commercial Bank, is owing the Globe Bank 22,000 dollars. Towards securing, however, 11,000 dollars of another failing concern, 139 shares of this Bank stand pledged.

(5.) The *Kenduskeag Bank*, chartered Feb. 22, 1832, with a capital of 50,000 dollars, increased May 2d, 1833, to 100,000 dollars,—has Directors, John Wilkins, *President*, George W. Pickering, Abner Taylor, John Godfrey and Elisha H. Allen, all of Bangor. Theodore S. Dodd, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	6,000
Bills in circulation,	30,994	Discounted paper,	125,843 14
Deposites,	15,510 14	Loan to the State,	4,500
Dividends unpaid,	798	Bank Stock,	12,997 50
Due to other banks,	8,083 39	Bills of other B'ks,	3,625
Profits on hand,	1,676 71	Specie,	4,096 60
	\$157,062 24		\$157,062 24

Liabilities of Directors 25,000 dollars. Last year's dividend two per cent. Amount of taxes paid to the State 6,837 dollars. More than 500 shares have changed owners within the last year; present number of Stockholders 60. The discounted paper consists of 149 demands—one-sixth of which may be doubtful,—the rest quite good. Of the above "Bank Stock," 11,210 dollars are shares in this bank at par, and 1,789 dollars in Bangor Commercial Bank at 70 per cent.

(6.) *Lafayette Bank*, chartered April 1, 1836,—has Directors, Joseph C. Stevens, *President*, Thomas A. Hill, Joseph Carr, all of Bangor, George Waugh of Levant, and William T. Savage of Pembroke, County of Washington,—Charles A. Stackpole, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	10,500
Bills in circulation,	14,191	Discounted paper,	36,720 41
Deposites,	6,952 05	Loan to the State,	4,000
Dividends unpaid,	498	Stock of this bank,	17,000
Due to other banks,	42	Do. in Kenduskeag	
Profits on hand,	47 55	bank,	600
		Bills of and dues	
		from other banks,	1,708 30
		Specie,	1,201 89
	\$71,730 60		\$71,730 60

Liabilities of two Directors 11,092 dollars; of all, 11,192 dollars. A dividend of two per cent. declared the last year. Amount of taxes paid the State 3,036 dollars. Under Act of Feb. 8, 1839, the Capital Stock was reduced from 100,000 dollars to 50,000 dollars, by placing the other moiety in the hands of Trustees, dividing it among Stockholders, and reducing each share to 50 dollars. At the same time the affairs of the bank underwent a judicious renovation, when the above Stocks of 17,600 dollars were taken in payment of debts, and 340 other shares of its Stock were pledged in the hands of trustees to meet other liabilities and debts. Of the discounted paper there are 93 pieces,—30 past due.

(7.) *Mercantile Bank*, chartered Feb. 21, 1833,—has Directors—John Hodgdon, *President*, Samuel Farrar, Henry Warren, Oliver Frost, all of Bangor, Asa Warren of Guilford, Hezekiah Williams of Castine, and Francis G. Butler of Farmington,—John S. Ricker, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	9,000
Bills in circulation,	18,754	Discounted paper,	104,585 37
Deposites,	3,516 34	Loan to the State,	5,133 33
Dividends unpaid,	831	Due from other	
Due to other banks,		banks,	1,030 67
(mostly to Suffolk		Stock in this bank,	5,000
bank,)	7,047 21	Bills of other banks,	3,592 56
Profits on hand,	932 86	Specie,	2,739 48
	\$131,081 41		\$131,081 41

Liabilities of three Directors 27,039 dollars; of all, 28,735 dollars. Only three per cent. dividend declared since April, 1837. Taxes paid to the State 6,146 dollars 63 cents. Of the discounted paper there are 70 demands, 22 of which are of 1,000 dollars or upwards—and half the last number undoubtedly good—most of the other half may be collectable; yet a considerable amount of the whole, though good, will probably be slow.

In BATH are three banks, (1) the *Commercial*; (2) *Lincoln*; (3) *Sagadahock*—aggregate capital 200,000 dollars.

(1.) The *Commercial Bank*, chartered Feb. 16, 1832,—has Directors, Jacob Robinson, *President*, Gilbert Trufant, William D. Sewall, all of Bath, Thomas M. Reed of Phippsburg and William Patten of Richmond—and Thomas Agry, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	550
Bills in circulation,	21,117	Discounted paper	
Deposites,	2,349 63	and Interest,	59,368 74
Dividends unpaid,	735 50	Loan to the State,	6,120
Profits on hand,		Due from other b'ks,	4,765 04
		Bills of other banks,	1,571
		Specie,	1,827 35
	74,202 13		\$74,202 13

Liabilities of three Directors, 14,930 dollars—of all 16,680 dollars. Last year's dividend six and one-quarter per cent. Taxes paid to the State 3,250 dollars. Number of Stockholders 58. Of the discounted paper, the Cashier says, there are not exceeding 1,000 dollars considered doubtful. Books and by-laws very good. The Act of Feb. 1833, to increase the Capital, was not accepted.

(2.) *Lincoln Bank*, chartered Feb. 11, 1832, (a continuation of the one incorporated in 1813,) has Directors, George F. Patten, *President*, Levi Houghton, Joshua Page, William Richardson, Ammi R. Mitchell, Samuel Gray, William M. Rogers—and Green Richardson, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	3,000
Bills in circulation,	50,403	Discounted paper,	114,026 97
Deposites,	30,655 37	Loan to the State,	12,272
Dividends unpaid,	333 50	Due from other	
Bills of old Lincoln		banks,	40,306
bank,	1,300	Bills of other banks,	4,639
Due to other banks,	1,621 73	Specie,	12,791 64
Profits on hand,	2,722 1		
	\$187,035 61		\$187,035 61

Number of Stockholders 57. Last year's dividends eight per cent. Amount of bank tax paid to the State, by the old bank 13,000 dollars, by the present 7,000 dollars. Discounted paper is in remarkably good order, nearly every piece being secured by three names.—Not a single note deemed doubtful. Stock in this bank is said to be five per cent. above par. There is probably no better bank in the State than this.

(3.) *Sagadahock Bank*, chartered April 1, 1836,—has Directors, Joseph Sewall, *President*, Thomas D. Robinson, John Smith, William M. Reed and Thomas Harward, all of Bath, William Purrington of Bowdoinham, and Moses Riggs, of Georgetown.—Daniel F. Baker, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Discounted paper,	67,088 08
Bills in circulation,	30,095	Loan to the State,	5,750
Deposites,	16,851 46	Due from other b'ks,	21,510 32
Dividend unpaid,	961	Bills of other banks,	946
Due to other banks,	215 39	Specie,	2,905 13
Profits on hand,	206 68	Other Debts due,	130
	\$98,329 53		\$98,329 53

Liabilities of the Directors, 19,774 dollars. Dividends of last year seven per cent. Amount of tax paid to the State 1,424 dollars 25 cents. Number of Stockholders 64. Of the "Discounted paper," most of it is secured by three names, and the President thinks none is doubtful. Discounts are

generally made for three, not over four months—the securities are of a business form—a few joint and several. Stock in this bank is said to be worth three per cent. above par. Each of the banks in Bath have in the Suffolk a permanent deposit of 2,000 dollars; the remainder of sums due from other banks, is deposited in the Globe Bank, Boston, at four per cent. on the lowest balance, due from it each month.

In *Belfast*, is one bank only, (the Charter of the Waldo Bank being resigned, and its affairs nearly closed.)

Belfast Bank, chartered April 1, 1836,—has Directors, James White, *President*, Joseph Williamson, Paul R. Hazeltine, James P. White, Salathiel Nickerson, Freeman C. Raymond, and Thomas Marshall, all of Belfast—and Albert Bingham, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	7,494 75
Bills in circulation,	48,444	Discounted paper,	56,663 92
Deposites,	4,392 30	Loan to the State,	
Dividends unpaid,	660	and State Certificates,	12,417 89
Profits on hand,	190 08	Due from Suffolk bank and Agents,	17,412 51
		Other Debts due to the bank,	1,927 78
		Bills of other banks,	1,623
		Specie,	6,156 53
	\$103,686 38		\$103,686 38

Directors liabilities 10,375 dollars. Last year's dividends seven per cent. Amount of taxes paid to the State 1,524 dollars 66 cents. Number of Stockholders 80. Of the discounted paper it is said not more than 1,000 dollars are doubtful. The "Agents" are J. Hathaway & Co. merchants, Boston,—owners of 20 shares of stock,—reputed to be a firm of solid wealth, and of character for business too high and well established to be doubted.

In BLOOMFIELD is the *Skowhegan Bank* only, which was

incorporated March 4, 1833, with a capital of 50,000 dollars, and in 1836 increased to \$75,000,—and which has Directors, William Allen, Jr., *President*, of Norridgewock, Judah M'Lellan, Edmund Pearson, Abner Coburn, Brooks Dascomb, all of Bloomfield, Joseph Patten and John G. Neil, both of Skowhegan,—and Samuel Philbrick, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	75,000	Real Estate,	817
Bills in circulation,	37,018	Discounted paper,	109,255 93
Deposites,	12,403 74	Due from Suffolk	
Dividends unpaid,	28	Bank,	13,350 48
Profits on hand,	3,430 38	Bills of other banks,	1,431 37
		Specie,	3,025 34
	\$127,880 12		\$127,880 12

Liabilities of one Director 5,800 dollars; of all, 9,975 dollars. Four liable for nothing. Amount of taxes paid to the State 3,604 dollars 17 cents. To all paper, discounted, a by-law requires three names; no loan to any one shall exceed 3,000 dollars, nor paper taken for more than 60 days—of the whole securities, being 219 in all, about 20,000 dollars in amount bear date prior to January 1839,—one half of it against the estate of the former President—perhaps 1,500 dollars doubtful.

In BREWER is the *Agricultural Bank*, only, chartered April 1, 1836,—which has Directors, Stillman Wilson, *President*, John D. Wilson, David B. Doane, Timothy George, John Wentworth,—the last of Orrington, and the other four of Brewer.—Cornelius Bedlow, Jr. *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Discounted paper,	57,737 52
Bills in circulation,	12,898	Loan to the State,	2,200
Deposites,	774 29	Due from other banks,	155 25
Profits on hand,	73 35	Bills of other banks,	1,678 00
		Specie,	1,974 87
	\$63,745 64		\$63,745 64

Liabilities of Directors 9,497 dollars. The only dividend ever declared, was in April 1837, of three and one-half per cent. Amount of taxes paid to the State 1,500 dollars. Number of Stockholders, 20. Of the discounted paper there are in all 72 demands, 13 of which are of 1,000 dollars or upwards; and to secure some of them, there are mortgages, attachments and pledges of Stock. The smaller demands are prime. The Directors are efficient men; but find it hard collecting the larger notes. This bank among others resolved to redeem only at its own counter, and resisted till it had runs from the Suffolk in amount prior to June 26, 1837, 33,000 dollars in specie; it was then compelled to submit and make a permanent deposit there of 5,000 dollars.

In BRUNSWICK are two banks; (1) the *Brunswick*, (2) the *Union*; with the aggregate capital of 125,000 dollars.

(1.) The *Brunswick Bank*, chartered April 1, 1836,—has Directors, Richard T. Dunlap, *President*, John C. Humphries, Alfred J. Stone, William H. Morse, George F. Richardson, all of Brunswick,—Phinehas Barnes, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$75,000	Real Estate,	1,000
Bills in circulation,	26,544	Discounted paper,	90,417 86
Deposites,	7,814 51	Loan to the State,	6,800
Dividends unpaid,	369	Due from other	
Profits on hand,	3,614 23	banks,	10,928 93
		Bills of other banks,	1,216
		Specie,	2,978 95
	\$113,341 74		\$113,341 74

Liabilities of two Directors 18,274 dollars; of all, 25,788 dollars. Last year's dividend five per cent. Amount paid to the State in taxes 2,308 dollars 79 cents. Number of Stockholders 53. Generally the discounted paper is in good order. Of the sum due from other banks there are 3,000 dollars in the Suffolk, 1,421 dollars in Kilby Bank, and 6,507 dollars 93 cents

in the Globe Bank, Boston, which transacts the business of the Brunswick Bank.

(2.) The *Union Bank*, chartered Feb. 15, 1825, was renewed and continued April 1, 1831. Its Directors are, David Dunlap, *President*, Isaac Lincoln, Abner B. Thompson, all of Brunswick, and William Frost and Samuel Perkins of Topsham,—Joseph McKeen, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	2,000
Bills in circulation,	29,671	Discounted paper,	72,402 38
Deposites,	18,154 86	Loan to the State,	6,120
Dividends unpaid,	700	Due from other	
Due to other banks,	267 37	banks,	17,348 19
Profits on hand,	4,573	Stock in Andros-	
		coggin Bank,	840
		Bills of other banks,	2,331 83
		Specie,	2,323 83
	\$103,366 23		\$103,366 23

Liabilities of Directors, not known—Cashier being absent. Last year's dividend five per cent. Amount of taxes paid to the State under the old and new charter 7,250 dollars. Number of Stockholders 48. Of the sum "due from other banks," 10,100 dollars 56 cents were owing from Commonwealth Bank, Boston, when it badly suspended; the residue in the Suffolk and the Globe Banks. The Act of Feb. 8, 1834, authorizing the increase of Capital \$25,000, was not adopted.

In CALAIS are three banks, (1) the *Calais*, (2) *St. Croix*, and (3) *Washington County*—with an aggregate Capital of 200,000 dollars. *Neither of these have suspended specie payments.*

(1.) *Calais Bank*, chartered April 1, 1831,—has Directors, George Downes, *President*, Samuel Kelley, Luther C. White, Francis Swan, and Lewis Wilson, all of Calais,—Joseph A. Lee, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	4,000
Bills in circulation,	24,645	Discounted paper	136,190 63
Deposites,	7,291 04	Stocks,	1,451 91
Dividend unpaid,	105 00	Due from other	
Due the Globe Bank		banks,	1,319 55
not due,	12,000	Bills of other banks,	2,632
Profits on hand,	3,784 01	Specie,	1,930 96
	<hr/>		<hr/>
	\$147,825 05		\$147,825 05

Liabilities of Directors, 29,456 dollars. The original Stock of 50,000 dollars increased under Act of March 1835, to 100,000 dollars. Amount of taxes paid to the State 6,193 dollars. Last year's dividend six per cent. Stockholders 51. More than half of the notes in the bank are past due—36,000 dollars secured by mortgage—8,598 entered under a "Suspense Account," being in a train of collection. Specie is received from the Provincial Banks, and the West Indies, and often remitted to Boston. This bank has dealt largely in Foreign Bills of Exchange,—those of 60 days are often worth eight per cent. premium; they are endorsed by men of ability on the States' side of the line; the face paid, and as much more as they will bring, after deducting exchange and expense.

(2.) *St. Croix Bank*, chartered April 1, 1836,—has Directors, Jeremiah Curtis, *President*, Dwight B. Barnard, George F. Wadsworth, Noah Smith, all of Calais,—James S. Pike, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	6,006 38
Bills in circulation,	15,124	Discounted paper,	59,563 98
Deposites,	8,513 34	Due from other b'ks,	3,906 69
Dividends unpaid,	344 92	Stock,	80
Due to other banks,	95 14	Interest on notes	
Profits on hand,	551 82	past due,	1,340 98
	<hr/>	Bills of other banks,	3,206
	\$74,629 22	Specie,	525 19
			<hr/>
			\$74,629 22

Directors' liabilities 16,038. Taxes paid to the State 1,500 dollars. Dividend three per cent. Stockholders 43.—This bank owns of its stock 7,500 dollars. Also the bank relies upon 7 or 8,000 dollars more of its stock for security of its notes. Cashier thinks there is not much doubtful paper in the bank. Certain it is, individuals have had loans in sums too large; there is too much past due;—nearly half the deposit is on time and interest.

(3.) *Washington County Bank*, chartered March 21, 1835, has Directors, Seth Emerson, *President*, Rendol Whidden, Stephen Emerson, Luther Bracket and Bion Bradbury, all of Calais,—Harrison Tweed, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	322 15
Bills in circulation,	22,310	Discounted paper,	69,629 94
Deposites,	5,214 55	Due from other b'ks,	7,376 69
Dividends unpaid,	388	Bills of other banks,	202
Profits on hand,	1,389 32	Specie,	1,262 09
		In the hands of an Agent,	509
	\$79,301 87		\$79,301 87

Liabilities of Directors 15,756 dollars. Stockholders 34. Probably 30,000 dollars or more of the discounted paper are past due. To secure a loan of 10,000 dollars made to "A. Reed & Co." as principal, and A. Reed one of the same firm, surety, there are pledged 225 shares of the Capital Stock of this bank; also 3,000 dollars were loaned to said Reed, and Lucius Bradbury, endorser; and July 27, 1836, 4,000 dollars discounted to Directors of American House, payable in ten years, secured by mortgage of 3,000 dollars. Amount of taxes paid to the State, 2,013 dollars 19 cents.

At CAMDEN is one bank, the *Megunticook*, chartered April 1, 1836, with a capital of 50,000 dollars,—whereof only 49,000 dollars were filed. Its Directors are William Carleton, *President*, Joseph Jones, Samuel G. Adams, Elisha Gilkey, Robert

Chase, Jacob Trafton, Joseph C. Stetson, all of Camden,—
Nathaniel Dillingham, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	49,000	Real Estate,	218 12
Bills in circulation,	25,810	Discounted paper,	58,788 89
Deposites,	2,210 70	Loan to the State,	10,720
Dividends unpaid,	239	Due from Suffolk	
Profits on hand,	801 50	Bank,	2,779 68
		Bills of other banks,	385
		Specie,	5,169 51
	\$78,061 20		\$78,061 20

Liabilities of two Directors, 11,505 dollars,—of all, 15,738 dollars. Last year's dividend five and one-half per cent. Amount paid to the State 1,203 dollars 95 cents. The discounted paper in this bank appears to be in good order—quite a small amount thought to be doubtful. As there are not less than 150,000 casks of lime manufactured in Camden, yearly, and mostly exported; it is said, the "Cargo Notes," as they are termed, consist of the best paper discounted, for they are given by purchasers, on time—when a sale will probably be effected, and a remittance made,—often collaterally secured by a policy on the vessel and cargo.—Stockholders 78.

In EASTPORT is the *Frontier Bank* only, chartered April 1, 1836, has Directors, Aaron Hayden, *President*, Charles Peavy, John A. Balkham, Jonathan Buck and Lorenzo Sabine, all of Eastport, and Jeremiah Fowler of Lubec,—and Edward Hsley, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	2,500
Bills in circulation,	40,965	Discounted paper,	148,704 61
Deposites,	24,044 75	Loan to the State,	12,400
Due to other banks,	13,141 44	Due from other b'ks,	15,229 05
Profits on hand,	4,274 21	Bills of other banks,	319
		Specie,	3,272 74
	\$182,425 40		\$182,425 40

Liabilities of Directors, 29,329 dollars. Last year's dividend six per cent. Amount paid in taxes to the State, 2,890 dollars 19 cents. Stockholders 37. Of the Stock 19,600 dollars are owned in New Brunswick. There are in the British Provinces, at St. Stephens, the St. Stephens Bank; at St. Andrews Charlotte County Bank; at St. Johns, Commercial Bank; Bank of British North America, and Bank of New Brunswick; at Fredericton, Central Bank, and Fredericton Bank, and two private banks, viz. B. Smith's and M. & A. Connell's bills. These latter are taken and sent home. The others are received at par in payment of debts and in deposit by this and the banks at Calais—and these exchange bills with those monthly, and generally have balances, which are paid in specie, or drafts on Boston; by which means our border Banks are sufficiently replenished with specie. The Provincial Banks are examined every year by a Commissioner, pay no tax, are sound,—issue bills in pounds and shillings.

At FRANKFORT is only the *Frankfort Bank*, incorporated April 1, 1836. It has Directors, Benjamin Shaw, *President*, Nehemiah Rich, Elisha Chick, Jr., all of Frankfort, William B. Reed of Bangor and Jones Shaw of Northport;—Benjamin Johnson, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Discounted paper,	74,121
Bills in circulation,	19,769	Bills of other banks,	1,632
Deposites,	3,629	Specie,	3,081 37
Dividends unpaid,	330 71	Other dues to the	
Due to Suffolk Bank,	5,209 49	bank,	255 17
Profits on hand,	131 34		
	—————		—————
	\$79,089 54		\$79,089 54

Directors' liabilities 13,725 dollars. Dividends of last year four per cent. Amount of taxes paid the State 1,560 dollars. Number of Stockholders 41: of demands, 73. Doubtful paper is supposed not to exceed 5,000 dollars; yet slow and hard of collection in a large amount. Towards security of different

debts, 150 shares of the bank are pledged—and also real estate is mortgaged or attached to secure others.

In GARDINER are two banks, (1) the *Franklin*, and (2) the *Gardiner*, with an aggregate capital of 150,000 dollars.

(1) *Franklin Bank*, chartered March 7, 1832—has directors—Henry Bowman, *President*, Ebenezer F. Dean, both of Gardiner, Stephen Young of Pittston, Joseph Eaton of Winslow, and John Otis of Hallowell; and Hiram Stevens, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	300
Bills in circulation,	21,409	Discounted paper,	68,979 29
Deposites,	11,988 79	Loan to the State,	5,000
Dividends unpaid,	430	Due from other	
Profits on hand,	128 26	banks,	4,267 13
		Bills of other banks,	2,578
		Specie,	2,831 63
	\$83,956 05		\$83,956 05

Liabilities of two Directors 15,004 dollars; of all, 16,511 dollars, reduced. One Director had overdrawn about 500 dollars. Last dividend was in April, 1839, of 4 per cent. Amount paid to the State, 1,760 dollars. Stockholders, 33. Of the discounted paper, more than 15,000 dollars are dated prior to January, 1839, though not always past due, the time being extended on paying the discount, without giving new paper. There may be 5,000 dollars doubtful, though supposed to be mostly collectable.

(2) *Gardiner Bank*, chartered January 31, 1814, and continued by special act, April 1, 1831, was allowed to reduce its capital to 50,000, but did not. Its Directors are, Samuel C. Grant, *President*, Samuel B. Tarbox, Frederic Allen, Arthur Berry, all of Gardiner; and Edward Swan, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$100,000	Real Estate,	\$2,400
Bills in circulation,	50,522	Discounted paper,	131,217 80
Deposites,	21,785 34	Loan to the State,	10,272
Dividends unpaid,	1,809	Due from other b'ks,	13,025 83
Profits on hand,	2,555 73	Stock in other banks,	3,254 26
		Bills of other banks,	8,815 49
		Specie,	7,686 69
	\$176,672 07		\$176,672 07

Liabilities of Directors, 1,980 dollars. Last year's dividends, 6 per cent. Taxes paid to the State, 18,000 dollars. Of what is as above "due from other banks," 10,426 dollars were in Tremont bank, Boston. Of the discounted paper, it was stated, that not more than 6,000 dollars are doubtful. Though many notes appear to be past due by the date, they are virtually renewed--that is, time extended on payment of discount. Stockholders 47--a strong bank.

In HALLOWELL are two Banks, (1) the *Central*, and (2) the *Northern*, with an aggregate capital of 160,000 dollars.

(1.) The *Central Bank*, when first chartered, February 22, 1825, was the "Vassalborough Bank," and located in that town. It was removed to Hallowell in February, 1829; and by act, April 1, 1831, the charter was continued and name changed to that of *Central Bank*. Capital stock increased 35,000 dollars, January, 1832.

TRIAL BALANCE.*

Dr.		Cr.	
Capital Stock,	\$85,000	Real Estate,	3,150 26
Bills in circulation,	48,037	Discounted paper,	87,909 70
Deposites,	23,062 94	Loan to the State,	5,300
Dividends unpaid,	220	Due from Suffolk b'k,	10,773 61
Profits on hand,	6,321 95	Stocks and assign- ments,	48,778 13
		Specie and bills of other banks,	1,043
		Other dues,	10,687 19
	\$167,641 89		\$167,641 89

*Made about once a month.

Directors—Calvin Spaulding, *President*, Oliver Otis, and Ichabod Nutter, all of Hallowell, John Smith of Readfield, and John G. Fitch of Vassalborough; Artemas Leonard, *Cashier*. Liabilities 510 dollars only. Taxes paid to the State, 9,540 dollars. No dividend since Oct, 1836. Of the “deposites,” the bank pays interest on 20,000 dollars. About half of the “discounted paper” is past due, 1-8th in a course of legal collection, and about 1-6th of the whole, the *Cashier* supposes, can never be collected. Of the “stocks and assignments,” 8,800 dollars are shares in this Central Bank; and 5,136 dollars in the Hallowell Granite Company; and 34,842 dollars in Smith’s block, Bangor, with indemnity. The “other dues” mentioned, are principally interest on notes past due.

(2.) The *Northern Bank*, chartered March 2, 1833, has Directors, John Agry, *President*, Williams Emmons, John Gardiner, Sullivan Kendall, Franklin Glazier, Bartholomew Nason, all of Hallowell, and David Brown of Readfield; Wm. M. Vaughan, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	75,000	Real Estate,	744 28
Bills in circulation,	39,387	Discounted paper,	106,537 86
Deposites,	17,001 20	Loan to the State,	6,720
Dividends unpaid,	262 50	Due from other	
Due to other banks,	27 63	banks,	10,107 21
Profits on hand,	1,083 84	Bills of other banks,	2,793
	\$132,762 17	Specie,	5,859 32
			\$132,762 17

Liabilities of two Directors, 11,777 dollars—of all, 18,130 dollars. Last year’s dividend, 7 per cent. Amount paid in taxes to the State, 3,764 dollars 18 cents. Of the discounted paper, only 3,000 dollars past due—very few if any doubtful demands. The book of weekly “*trial balances*” is in a printed form, exceedingly neat and plain.

In Orono, there were two Banks, (1) the *Bank of Oldtown*, and (2) the *Stillwater Canal Bank*—each of 50,000 dollars, one at the upper the other at the lower village.

(1.) The *Bank of Oldtown* was chartered April 1, 1836; and the incorporators being 23 in all, at their first election, chose nine Directors. On their opening a subscription for the capital stock, it was seized upon, to the exclusion of abler men, with a monopolizing spirit—*eight* individuals taking the whole :— thus, Jefferson Sinclair took 100 shares; Henry Richardson, 100; Abiel W. Kennedy, 100; George P. Sewall, 100; Samuel Cony, 86; Nathan Winslow, 10; William Jameson, 3; and John B. Morgan, 1—in all, 500 shares. In September, of the same year, Sewall sold his 100 to George W. Coffin; Cony, 66 of his, to J. W. Coffin; Kennedy, his 100, to Joseph C. Lovejoy; Richardson, 50 of his, to John Stevens, Jr.; and at the next election, being the annual one, October 5, 1836, five Directors only were chosen, namely, *Jefferson Sinclair, John Stevens, Jr., Henry Richardson, Samuel Cony, and George W. Coffin*; the intended change being fully effected, as only two of these belonged to the former Board. On the 20th of July, 1837, Cony and Coffin resigned; when *James Houlton* of Houlton, who had in the preceding May, purchased 20 shares of Stevens; and *Tertius Hyde*, then in said Lovejoy's employ, who had two days before sold him four shares, were elected to fill the two vacancies in the Direction. At the annual election, October 2, 1837, *Sinclair, Stevens, Richardson, Houlton, and Hyde*, were re-chosen; and on the 1st of August, 1838, Hyde resigned and left the State, and *Joseph C. Lovejoy* was chosen to fill his place. The next and last election on record, was October 1, 1838, when the former Board, viz: *Sinclair, Stevens, Richardson, Lovejoy and Houlton*, were re-chosen, all of them of Oldtown except Houlton, and according to a by-law of the Bank, they were to "continue in office until others were elected in their places." *Sinclair* has uniformly been the President of the Bank; and *Calvin S. Lane*, appointed and sworn Cashier, Aug. 1, 1836, filled the office till Aug. 1, 1838, when he resigned; and the books appear to have been skilfully kept by him. The first discount made was, according to the Discount book, Aug. 8, 1836; and the

last Aug. 2, 1838. To pay the first instalment of \$25,000, the specie counted in the bank to put it in operation, was presently and principally removed, and discounted paper substituted for it; so it is supposed, that the second instalment was wholly paid in such paper. During fourteen or fifteen months next after Oct. 5, 1836, loans or discounts, appear by the Discount book, to be free and large to the Directors and their friends, sometimes on slender securities. In January, 1838, the circulation was \$44,295; and on the 13th February following, the Suffolk Bank refused longer to redeem its bills—its debt to that institution then being \$31,803.

In this emergency, the Directors unable to collect their debts, and principal stockholders appear to have resorted to expedients for their individual safety, or their escape from impending losses; and therefore transfers, which had commenced in preceding months were not only multiplied exceedingly, but shares were shoved off into irresponsible hands; and it is believed, that many, were by the books made assignees or owners, without any knowledge of the fact. At length, May 10, 1838, two strangers, both from New York, Achilles V. Hammond and Abner Cook, Jr., appeared and purchased 250 shares, being one half of the whole capital stock, and caused the shares to be thus assigned, viz: 30 to each of themselves, 30 to Geo. D. Waldo of that city, 80 to Galin Bowditch, and 80 to John Phillips, the last two of Roxbury, (Mass.) Thus those, who controlled the affairs of the bank, and their dependents, became extensively disburdened of their shares;—and they received in payment therefor three notes against George Bowne amounting to \$14,961, and one other against Ben. C. White for \$5,873, both of New York, being \$20,834, payable four or five months afterwards, and all endorsed by said Hammond and Cook, and the bills of Roxbury Bank, (Mass.) \$4,166; the notes and money being \$25,000. These notes were very wrongfully discounted, and others taken from the bank, more or less of which were secured by responsible names. On the 17th of the same May, the bank further discounted to the said Hammond and

Cook, their own note of \$1,000, and seven days afterwards their other note of \$4,000, on 6 months. Although the charter of Roxbury Bank was repealed, April 24, 1838, by reason of the base conduct of said Bowditch, Phillips, Hammond and others; a knowledge of its failure did not immediately effect the credit of its bills; and therefore the Bank of Oldtown lost nothing by them, but was able by means of those received, to eke out its operations about 90 days longer. During that period there were several transfers of shares—the best stockholders assigned theirs to escape liabilities; and debtors conveyed theirs to individuals, in trust, for payment of notes given for loans or for stock; and several of them have left the place, others never reside there, and such as remain are reported to be without property, or to keep it beyond the reach of legal process.

In August, after the transaction with Hammond and Cook, the bank became nearly exhausted of its funds, and the Cashier, in hopes to lengthen out its days, put \$10,000 of its bills into Hammond's hands, (now so deeply interested in its affairs) for the purpose of enabling him to effect a loan, or otherwise procure funds to redeem its bills. But he fled with the money to the city St. John, N. B., where he was overtaken by the Cashier, and \$4,400 of the bills recovered from him, and he thrown into gaol for the residue and other debts. Thus we come to the catastrophe of the Bank of Oldtown.

The stockholders at that and the present time, follow, viz:

Jefferson Sinclair, of Oldtown,	23 shares.
John Stevens, Jun., Boston,	71 do
Henry Richardson, Oldtown,	5 do
Joseph C. Lovejoy, Maine,	10 do
Tertius Hyde, Massachusetts,	74 do
James Houlton, Houlton,	20 do
A. V. Hammond, New York,	21 do
Abner Cook, Jr., do.	30 do
James D. Coburn, do.	9 do
George D. Waldo, do.	30 do

John Phillips, Roxbury,	80 shares.
Galen Bowditch, do.	80 do
Joshua Sinclair, Bucksport,	25 do
Luther Gannett, Belfast,	5 do
E. C. N. & S. Lewis, Cherryfield, (3 of them minor females,)	4 do
Mary M. Green, Kennebunk,	10 do
W. T. Hilliard, Oldtown,	3 do
	500 do
Total,	500 do

Hyde and Stevens hold the most of their shares in trust for the Bank. After Hammond had been in close confinement eleven months, an agent of the Directors settled with him, took an assignment of his shares; \$800 of Oldtown bills; \$900 in stock of Georgia Land and Mill Company; \$3,000 in New Jersey lands; and \$4,000 of lands in Pennsylvania. Also, Oct. 20, 1838, the Suffolk Bank settled with the Oldtown Bank, by \$19,200 in real estate, \$11,154 in notes, and a new note of \$1,551 94, to balance.

TRIAL BALANCE.

[November 6, 1839, when examined.]

Dr.	Cr.
Capital Stock, 50,000	Discounted paper, &c.
Bills in circulation, 15,026	in vault 39,774 06
Depositors who owe	Out of b'k 24,485 39
the bank, 809 18	64,259 45
Dividends unpaid, do. 9	Bills of Roxbury b'k 49
Due to Suffolk Bank 1,551 94	Deficit, 3,087 67
\$67,396 12	\$67,396 12

The last Trial Balance on the books, was Aug. 20, 1838. That so differs from the preceding as to exhibit a circulation of \$16,638, deposits, \$2,085 70; and on the other hand \$65,774 discounted paper or debts due. But the books show the balances due on notes and bills, \$63,194 23, a discrepancy unexplained.

The discounted paper or debts consist of the following demands:

G. Bowne, said notes	14,961	G. B. Sewall	90
B. C. White, do.	5,873	Cyrus Moore	320
A. V. Hammond		Tobias Hall	279
[settled]	9,600	Jo. Smith	361
A. Cook, Jr. do.	1,000	F. Bartlett	306
Milo L. Bennet	7,789	Daniel McRuer	304
Sam'l Braley	3,274	David Low	450
Wm. & Levi Cutter	3,062	Geo. L. Black	548
Jos. C. Lovejoy	9,709	C. Oakley	265
Rufus Dwinel	940	C. H. Coffin	286
Jas. K. Miller	553	J. B. Morgan	52
Henry Richardson	549	Abram Moore	131
James Houlton	1,811	R. H. Bartlett	50
J. W. Hale	312	N. Winslow	56 45
J. H. Shaw	299		
Mill Dam Co.	173		
Jo. B. Harvey	637		
Sam'l Cony	137		
Sam'l G. Oaks	82		
			<u>\$64,259 45</u>
		Also arrear interest.	

But Mr. Sinclair, the President, reports to me two or three other demands; and all the preceding are endorsed, though by names of doubtful responsibility. Perhaps enough might be collected to pay one third of the circulation, if due attention be paid to the demands. By these facts it appears, who and what caused the failure of this bank. (a)

(a) NOTE. On the 20th of March, 1839, the charter of the Bank of Old Town was declared by a Legislative Resolve to be "forfeit and void," except for the purposes of closing up the business of the institution. Also under the 33d section of the law to regulate "Banks and Banking," a Judge of the Supreme Judicial Court appointed Commissioners to take into "possession the books, papers, property and estate" of the bank; but it is understood the appointment was not accepted; and it was ascertained by the undersigned, that though the books were in the bank, the papers were in different places—some in vault, some in the President's and some in Attorney's hands. It is therefore highly important to the bill holders, and

to all interested in the institution, that immediate measures be taken to settle the affairs of the bank, and make payments so far as there shall be found means.

(2.) The *Stillwater Canal Bank*, chartered March 21, 1835, has Directors, Nathaniel Treat, *President*, Levi Hamlen, Asa W. Babcock, Frederic A. Fuller, Edward Kimball, all of Orono; and Elvaton P. Butler, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	1,663
Bills in circulation,	3,895	Discounted paper,	69,649 99
Deposites,	166 01	Loan to the State,	2,000
Dividends unpaid,	21	Bills of other banks	
Due to the Suffolk		and Specie,	185 97
Bank,	21,548 62	Interest on notes	
		past due,	2,131 67
	—————		—————
	\$75,630 63		\$75,630 63

Liabilities of Directors, 15,750 dollars. The bank has made no dividend since April 1, 1837; has paid in taxes to the State, \$2,013 19. Stockholders 28, nine of whom own more than three fifths of the whole stock. Of the discounted paper, there are 61 demands, many of which are overdue, and slow of collection; and a considerable amount doubtful. But this bank has lately paid the Suffolk Bank in full, in conveyances of real estate, to that institution directly by debtors to the Stillwater Canal Bank, in discharge of their notes.

In the CITY OF PORTLAND are nine banks,—namely (1) the *Bank of Cumberland*; (2) *Bank of Portland*; (3) *Canal*; (4) *Casco*; (5) *City*; (6) *Exchange*; (7) *Manufacturers' & Traders'*; (8) *Maine*; (9) *Merchants*, with an aggregate capital of 1,917,500 dollars.

(1.) *Bank of Cumberland*, chartered March 19, 1835, with a capital of 200,000 dollars, increased 50,000 dollars by Act of April 1, 1836, and by Act of March 4, 1839 reduced 50,000 dollars. The Directors are William Moulton, *President*, Roscoe G. Greene, David Drinkwater, Jonathan Tukesbury,

Nathan Nutter and James Todd, all of Portland,—Samuel Small, Jr., *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	200,000	Real Estate,	19,671 77
Bills in circulation,	72,305	Discounted paper,	308,671 67
Deposites,	37,716 17	Loan to the State,	20,000
Dividends unpaid,	3,322 80	Bills of other banks,	9,528 53
Profits on hand,	37,815 11	Specie,	7,486 22
Due to other banks,	14,199 11		
	\$365,358 19		\$365,358 19

Directors' liabilities 44,905 dollars. Last year's dividend six per cent. Amount of taxes paid to the State 9,215 dollars 33 cents. Stockholders, 146. Of the deposits about 20,000 dollars are placed there by the Collector of the Revenue; and of what is "due to other banks," 11,853 dollars are due to the United States in February, 1840. In reducing the Capital, 50,000 of the poorest paper was taken from the bank, leaving the rest good.

(2.) The *Bank of Portland*, chartered Feb. 13, 1819, (Portland Bank incorporated June 15, 1799,) with \$200,000 capital, increased March 21, 1835, \$100,000, and reduced March 22, 1838, \$75,000. Its Directors are William Swan, *President*, Horatio Southgate, Barrett Potter, James Lunt, Joshua Wingate, Rufus E. Wood, Stephen Longfellow, all of Portland,—Edward Richardson, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	225,000	Real Estate,	13,470 42
Bills in circulation,	22,095	Discounted paper,	239,900 29
Deposites,	18,752 17	Loan to the State,	20,074
Due to other banks,	570 52	Due from other	
Profits on hand,	24,591 97	banks,	3,713 61
		Bank and other	
		Stocks,	5,400
		Bills of other banks,	428
		Specie,	8,023 34
	\$291,009 66		\$291,009 66

Directors' liabilities 6,171 dollars. In reducing the stock 75,000 dollars, that sum was taken of the poorest paper out of bank, placed in hands of trustees, leaving the residue of the demands good,—and reducing each share to 75 dollars. Last dividend was one dollar on each share, in October last. Bank has paid in taxes to the State, 42,964 dollars 51 cents. Stockholders 150,—Institution for Savings owns 16,275 dollars.

(3.) *Canal Bank*, was chartered Feb 19, 1825, to continue till March 1, 1845, with a capital of 300,000 dollars, and Feb. 23, 1832, increased 100,000 dollars. Its Directors are Charles E. Barrett, *President*, William Goodenow, Thomas Hammond, William Kimball, William W. Thomas, Nathaniel Warren, Joshua B. Osgood, all of Portland,—and Josiah B. Scott, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	400,000	Real Estate,	16,300
Bills in circulation,	86,788	Discounted paper,	459,071 87
Deposites,	49,838 12	Stock in C. & O.	
Dividends unpaid,	5,000	C. C.	75,000
Due to other banks,	6,790 72	Due from other	
Profits on hand,	23,323 21	banks,	8,987 25
		Bills of other banks,	3,429
		Specie,	8,951 93
	\$571,740 05		\$571,740 05

Directors' liabilities 35,920 dollars. Last year's dividend two per cent. Stockholders 217. As to the "deposites," 23,328 dollars are due for old United States Bank Stock in February, 1840; as all the paper in the branch at Portland was purchased in December 1835, by the Canal, Casco, Bank of Portland, Bank of Cumberland, Manufacturers' & Traders' and Merchants' Bank. The "Stock in the Cumberland and Oxford Canal Corporation," the Canal Bank was by its charter required to take, and did advance for it the money; and hence *excused from paying the bank tax* to the State. This bank then loaned the Corporation 75,000 dollars and took a mortgage, and 30,000 dollars are unpaid. This sum and 31,120

dollars, the loan to the State, are embraced in the "discounted paper."

(4.) *Casco Bank*, chartered, Feb. 18, 1824, with 100,000 dollars capital, increased Feb. 21, 1825 and 1835 each 100,000 dollars, and renewed April 1, 1831, has Directors, Eliphalet Greely, *President*, Nathaniel Blanchard, Nathan Cummings, William Evans, Phinehas Varnum, Charles Jones and St. John Smith, of Portland,—John Chute, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	300,000	Real Estate,	13,796 37
Bills in circulation,	52,144	Discounted paper,	335,925 04
Deposites,	30,746 15	Loan to the State,	24,240
Dividends unpaid,	2,057	Due from other	
Due to Virginia		banks,	5,342 93
and other banks,	6,578 87	Stock of this bank,	1,140
Profits on hand,	15,841 62	Bills of other banks,	9,815 67
		Specie,	17,107 63
	\$407,376 64		\$407,376 64

Directors' liabilities 46,552 dollars. Amount paid in taxes to the State 32,797 dollars 75 cents. Last year's dividend two per cent. Its "stock" has been purchased at \$95 per cent. lately—an evidence of its value. Number of Stockholders 130. Discounted paper in good order.

(5.) *City Bank*, chartered April 1, 1836,—has Directors, Noah Hinkley, *President*, John Dunlap, Thomas A. Deblois, Luther Jewett, Thomas Warren, Hall J. Little, all of Portland, Noah Nason of Westbrook,—and Reuben Mitchell, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	200,000	Real Estate,	2,448 77
Bills in circulation,	46,355	Discounted paper,	275,579 91
Deposites,	30,219 89	Due from other	
Dividends unpaid,	468	banks,	941 06
Due to other banks,	10,687 25	Bills of other banks,	5,064
Profits on hand,	1,630 96	Specie,	5,327 36
	\$289,361 10		\$289,361 10

Stockholders 114. Directors' liabilities 36,139 dollars.— Dividend last year one per cent. This bank has paid the State 6,000 dollars in taxes. Of the Deposites 22,130 dollars are due to present United States Bank on six per cent. interest—in course of foreign trade, to be paid by deposits in London to credit of that bank. The Suffolk bank does not redeem the bills of this bank, but takes and sends them to Shoe and Leather Dealers' Bank, which meets them when in funds. Too much of the discounted paper is overdue and hard to collect.

(6.) *Exchange Bank*, incorporated Feb. 29, 1832, has Directors, Ashur Ware, *President*, William P. Preble, Ezekiel Day, Samuel Hanson, Edwin A. Norton, Henry R. Stickney, John Rand, all of Portland, and John J. Brown, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	9,888
Bills in circulation,	40,515	Discounted paper,	127,606 81
Deposites,	10,770	Loan to the State,	9,471
Dividends unpaid,	200	Due from Suffolk	
Due to other banks,	265 50	Bank,	1,456 59
Profits on hand,	53 91	Bills of other banks,	2,256
		Specie,	1,126 93
	\$151,805 33		\$151,805 33

Directors' liabilities 16,844 dollars. Dividend last year two per cent. Amount of taxes paid to the State, 7,119 dollars 18 cents. The losses this bank has sustained will probably exceed 15,000 dollars. Stockholders 68; and among them the Savings Institution own 12,100 dollars, and Bowdoin College 9,000 dollars.

(7.) *Manufacturers' & Traders' Bank*, was chartered Feb. 27, 1832, with a capital of 100,000 dollars, increased 50,000 dollars Feb. 20, 1833 and reduced 37,500 dollars, by Act of Feb. 15, 1839. Its Directors are Joshua Richardson, *President*, Neal Dow, Nathaniel F. Deering, William E. Greely, Rufus Horton, Jr., Stephen Waite, Jr., Prentiss Mellen, all of Portland; and Edward Gould, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	112,500	Real Estate,	7,101 17
Bills in circulation,	22,955	Discounted paper,	127,666 90
Deposites,	5,726 24	Loan to the State,	9,440
Dividends unpaid,	2,450	Due from other	
Due to other banks,	161 36	banks,	1,225 61
Profits on hand,	6,181 60	Bills of other banks,	1,244
		Specie,	3,294 52
	\$149,974 20		\$149,974 20

Directors liabilities, \$30,484. Dividend in April, 1839, of 3 per cent. for preceding 18 months, and another of 4 per cent. in Oct. last. Amount of taxes paid to the State, 10,348 52. The stock was reduced under the said Act of February last, by taking the amount from the poorest paper in the bank, and putting it into the hands of a committee to collect and pay out to the stockholders, thus reducing each share to \$75. Just before the reduction, the stock sold for 76 dollars per share. Stockholders 104 in all.

(8.) *Maine Bank* was chartered April 20, 1831, with 100,000 dollars capital; increased January 10, 1834, 50,000 dollars, and again January 29, 1836, 150,000 dollars, and reduced March 22, 1838, 75,000. Its Directors are Albert Newhall, *President*, Asa Clapp, Isaac Ilsley, Israel Richardson, Hezekiah Winslow, Samuel Chadwick and Asa Wm. Henry Clapp, all of Portland, and Joseph Swift, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock, (incl'g		Real Estate,	12,337 23
State's 5,000)	230,000	Discounted paper,	209,504 66
Bills in circulation,	58,079	Loan to the State,	38,839 98
Deposites,	45,413 68	Due from other b'ks,	38,033 20
Due to other banks,	4,327 99	Bills of other banks,	16,532
Profits on hand,	9,964 65	Other debts,	15,071 87
		Specie,	17,466 38
	\$347,785 32		\$347,785 32

Directors' liabilities 44,816 dollars. Dividends for last year four per cent. Cumberland Bank, incorporated June 23,

1812, was predecessor of Maine Bank, paid the State after separation 19,000 dollars. Maine Bank has since paid taxes 15,419 dollars 54 cents. To reduce the Capital Stock, one fourth or 75,000 dollars, this amount was taken from the bank in the poorest paper, and each share reduced from 100 dollars to 75 dollars. All the paper dated prior to January 1839 was 4,143 dollars. Doubtful paper since the reduction perhaps one thousand dollars. Stockholders 22 only.

(9) *Merchants' Bank*, first chartered February 19, 1825, continued April 1, 1831, has Directors, William Woodbury, *President*, Philip Greely, Rufus Emerson, Josiah Dow, Jonathan Tucker, Charles Kimball, George Warren, and John Oxnard, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$150,000	Real Estate,	\$8,437 06
Bills in circulation,	33,257	Discounted paper,	183,826 14
Deposites,	26,789 19	Loan to the State,	13,
Due to other banks,	4,239 20	Bank Stock,	2,728 53
Profits on hand,	7,050 16	Due from other b'ks,	6,545 09
		Bills of other banks,	3,177
		Specie,	8,621 73
	\$226,335 55		\$226,335 55

Directors' liabilities, 11,877 dollars—as principals, 586 dollars only. There was no dividend from April, 1837, till October 1, 1839, when 2 dollars upon a share was declared. Amount paid in taxes to the State, 20,462 dollars. Its agent in Boston is the State Bank, which takes its bills from the Suffolk as often as presented. Of the discounted paper, perhaps 15,000 dollars past due and dated prior to January, 1839, and 5,000 doubtful. Number of Stockholders 115.

In Saco are two banks, (1) *Manufacturers'*, and (2) *York*, with an aggregate capital of 200,000 dollars.

(1) *Manufacturers' Bank*, chartered February 23, 1835, and continued April 1, 1831, has Directors, William P. Haines, *President*, Abel Hersey, Amos Chase, Tristram Jordan, David Furnald, George Scammon, Abner Blaisdell, all of Saco; and Seth S. Fairfield, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	5,000
Bills in circulation,	43,350	Discounted paper,	136,772 60
Deposites,	16,729 44	Loan to the State,	17,262
Dividends unpaid,	2,130	Due from other	
Due to other banks,	102 63	banks,	1,762 47
Profits on hand,	1,971 55	Bills of other banks,	200
		Specie,	3,286 55
	\$164,283 62		\$164,283 62

Liabilities of Directors 17,011 dollars—dividends of last year 6 per cent.—amount paid to the State in taxes 13,850 dollars. Stockholders 105. Of the discounted paper, about 12,000 dollars are past due, on which there is due 3,000 dollars interest—the residue in good order.

(2) The *York Bank*, incorporated April 1, 1831, with a capital of 50,000 dollars—increased February 15, 1834, 25,000 dollars, and again March 31, 1836, 25,000 dollars. It is the successor of the “*Saco Bank*,” chartered June 23, 1812. The Directors of *York Bank* are Jonathan King, *President*, Samuel Bachelder, John Shepley, James M. Deering, all of *Saco*, William Smith of *Biddeford*, and Henry T. Thatcher, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	100,000	Real Estate,	3,480 63
Bills in circulation,	58,478	Discounted paper,	129,686 24
Deposites,	25,995 17	Loan to the State,	12,620
Dividends unpaid,	2,555	Due from other b'ks,	31,982 09
Profits on hand,	1,538 70	Stocks in Y'k M.Co.	4,000
		Bills of other banks,	1,340
		Specie,	5,457 91
	\$188,566 87		\$188,566 87

Directors liabilities 3,355 dollars—800 dollars only as principals. Last year's dividends 6 per cent. This bank has paid in taxes to the State 5,916 dollars 67 cents; *Saco Bank* paid after the separation 13,200 dollars. Stockholders 58. Paper due prior to January, 1839, about 15,000 dollars. Shares in this

bank sell at par. Of what is "due from other banks," 29,982 dollars are funds in the Globe Bank, Boston.

At SOUTH BERWICK is only one banking institution, the "South Berwick Bank," which was chartered January 31, 1823, and continued by act of April 1, 1831. Its Directors are Wm. A. Hayes, *President*, William Hight, Theodore F. Jewett, Benjamin Nason, Samuel Parks, all of South Berwick; and Charles E. Norton, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	1,500
Bills in circulation,	26,811	Discounted paper,	95,017 13
Deposites,	31,191 13	Loan to the State,	6,120
Dividends unpaid,	1,374 25	Due from other b'ks,	3,453 24
Profits on hand,	854 82	Bills of other banks,	2,922 52
		Specie,	2,218 31
	\$110,231 20		\$110,231 20

Liabilities of two Directors 14,580 dollars—of all 16,980 dollars. Last year's dividend seven per cent. Stockholders 43. Amount of taxes paid to the State 7,375 dollars. Stock is worth from six to eight per cent, above par. Of the discounted paper, there are in all 220 demands—all but one good. This bank transacts its business with Piscataqua Bank, Portsmouth, and its drafts, or rather called *transmission drafts*, often are carried to Boston, where the Globe will take them, or they are cashed by the mail carrier to Portsmouth, at one fourth per ct.

At THOMASTON, are two banks, (1) the *Lime Rock*, and (2) the *Thomaston*, with an aggregate capital of 100,000 dollars—the one at *East*, and the other at *West* Thomaston.

(1) *Lime Rock Bank*, chartered April 1, 1836, has Directors, Knott Crocket, *President*, Iddo Kimball, Charles Holmes, Reuben Sherer, Joseph Hewett, Joseph Gilchrest, John Spear, all of Thomaston; and John G. Lovejoy, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	3,570 43
Bills in circulation,	39,625	Discounted paper,	80,403 71
Deposites,	14,259 10	Loan to the State,	5,720
Dividends unpaid,	1,313 50	Due from Suffolk	
Profits on hand,	44 21	Bank,	7,120 59
		Bills of other banks,	2,330
		Specie,	6,217 08
	<hr/>		<hr/>
	\$105,241 81		\$105,241 81

Directors' liabilities 7,318 dollars. Last year's dividend six and one-half per cent. Number of Stockholders 84. Amount paid in taxes to the State 1,500 dollars. In the amount of bank bills issued there appeared a discrepancy between that of the Registry and that in the Ledger. Of the discounted paper, it was stated, there were not more than 500 dollars doubtful—the stock is at par. A by-law makes it the directors' duty to examine the bank, once in three months, in all its parts.

(2.) *Thomaston Bank*, chartered Feb. 22, 1825, continued April 1, 1831, has Directors, Richard Robinson, *President*, William Singer, William R. Keith, Edward Robinson, John T. Gleason, all of Thomaston, Edwin Smith, Manassah Smith, both of Warren, and John D. Barnard, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	2,381 56
Bills in circulation,	40,818	Discounted paper,	73,200 86
Deposites,	16,730 29	Loan to the State,	6,120
Dividends unpaid,	603	Due from Suffolk	
Profits on hand,	281 21	Bank,	2,736 72
		Bills of other banks,	499 09
		Specie,	7,518 82
		Due from J. Paine,	15,975 45
	<hr/>		<hr/>
	\$108,332 50		\$108,432 50

Directors' liabilities 15,661 dollars. Last year's dividend six per cent. Amount paid to the State in taxes 6,750 dollars. Stockholders 67. Of the "discounted paper," only four notes bear date prior to January 1839, perhaps 3 or 4,000 dollars

doubtful. In July 1830, one Isaac Snaith robbed this bank of 11,363 dollars; to sink the loss, much of the profits were reserved from year to year; till October 1838, when another perplexity occurred. John Paine, former Cashier 12 years, was charged with being a defaulter in above amount. In settling with him, however, he has paid 8,000 dollars, and says past year's of bank charges and what remains to be sunk or made up of the old robbery will be 4,000 dollars;—and even then the Directors must resort to his Cashier's bond to recover the residue, being 3,975 dollars 45 cents and interest.

At TOPSHAM is only the *Androscoggin Bank*, chartered Feb. 1, 1834. Its Directors are Charles Thompson, *President*, Humphrey Purriuton, John Barron, David Scribner, Nahum Perkins, all of Topsham; and John Coburn, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	2,100
Bills in circulation,	33,713	Discounted paper,	66,365 80
Deposites,	11,229	Loan to the State,	6,120
Dividends unpaid,	78	Stock in B'k M. Co.	1,269 90
Profits on hand,	4,429 01	Due from other b'ks,	20,138 10
		Bills of other banks,	1,323 41
		Specie,	2,131 80
	\$99,449 01		\$99,449 01

Directors' liabilities 6,809 dollars. Dividends of last year six per cent. Number of Stockholders, 34. Of the discounted paper, the Cashier thinks not more than 4,000 dollars doubtful; there is interest on notes past due, and the stock is worth par. Amount of taxes paid to the State, 1,750 dollars. Of what is "due from other banks," 17,702 dollars are deposits in Atlas Bank, Boston. The said "stock" is in Brunswick Manufacturing Company.

At VASSALBOROUGH is only the *Neguemkeag Bank*, chartered April 2, 1836, which has Directors Edward Southwick, *President*, of Augusta, Ebenezer Frye, Thomas Carlton and Caleb Nichols, all of Vassalborough, Daniel Tiffany, Jr. of Sidney; and Amos Stickney, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	\$50,000	Discounted paper,	77,527 44
Bills in circulation,	23,997	Due from Suffolk	
Deposites,	3,672 08	Bank,	37
Profits on hand,	1,923 64	Bills of other banks,	1,017
		Specie,	1,016 28
	<hr/>		<hr/>
	\$79,597 72		\$79,597 72

Liabilities of one Director, 8,694 dollars, of another 3,015 dollars, of all 13,659 dollars. Last year's dividends four per cent. Amount of taxes paid to the State, 1,500 dollars. The discounted paper was found dated mostly since January last; and nearly all of it was represented to be good and collectable. But if this be so, does not the circulation appear large, quite too large?—especially when the amount of ready means in vault are not equal to the deposits? Number of Stockholders 23, five of whom own 36,500 dollars of the stock.

At WALDOBOROUGH is only the *Medomak Bank*, chartered April 1, 1836, which has Directors, George D. Smouse, Samuel Morse, John Bulfinch, Frederic Castner, James Hovey, Henry Kennedy, Isaac Reed, all of Waldoborough, and James R. Groton, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Discounted paper,	72,012 10
Bills in circulation,	49,585	Loan to the State,	2,720
Deposites,	1,542 48	Deposit in Suffolk	
Profits,	21 26	Bank,	3,000
		Bills of other banks,	42
		Specie,	3,200 33
		In Agents' hands,	20,174 31
	<hr/>		<hr/>
	\$101,148 74		\$101,148 74

Directors' liabilities, 10,088 dollars. Last year's dividends six per cent. Amount of taxes paid to the State, 1,440 dollars. Stockholders 67. Of the discounted paper, there are 236 pieces, about 20,000 dollars in amount dated prior to January 1839, the larger notes secured by three names, and perhaps

3,000 dollars doubtful. The undersigned Commissioner, examined this bank Oct. 25 and 26, 1839, and his Trial Balance, in two or three items, differs from the preceding one, which was enclosed to him two or three weeks afterwards. The discrepancies arose probably from the incomplete state of the bank books, and of accounts with their said "Agents," Israel Lombard and Charles O. Whitmore, Boston; who are, as such, under bonds of 5,000 dollars, with two sureties, Mr. Groton, the Cashier, being one. By the Ledger account of the bank, the balance against them was the above sum; but by their letter dated Nov. 23, 1839 to the Commissioner, they say, they have redeemed and had in the Suffolk Bank, Oct. 26, 19,339 dollars of the bills of the Medomak Bank. Hence the amount of its bills in circulation at that time, though large did not exceed 30,246 dollars; and the balance due from their said agents was only 835 dollars 31 cents.

At WATERTVILLE, is only the *Ticonic Bank*, chartered April 1, 1836,—the successor of the Waterville Bank, incorporated Feb. 12, 1814. The Directors of the Ticonic Bank are, Timothy Boutelle, *President*, Jediah Morrill, Moses Appleton, Simeon Mathews, all of Waterville, Asa Redington—and Augustine Perkins, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	75,000	Real Estate,	2,000
Bills in circulation,	33,321	Discounted paper,	103,014 34
Deposites,	6,696 36	Due from Suffolk	
Dividends unpaid,	128 50	Bank,	4,054 16
Profits on hand,	1,149 50	Bills of other banks,	4,179
		Specie,	3,047 86
	\$116,295 36		\$116,295 36

Directors liabilities, 12,550 dollars. Last year's dividend six per cent. Taxes paid to the State, 4,500 dollars. Stockholders 51. Of the discounted paper, there are 185 demands, all of recent date or discount, in good order; perhaps 1,000 dollars doubtful.

At WESTBROOK, is only the *Bank of Westbrook*, chartered April 1, 1836. Its Directors are Samuel Jordan, *President*, Samuel B. Stevens, Gerry Cook and Joseph Walker, Jr. all of Westbrook, Freeman Bradford of Portland; and Christopher C. Tobie, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	1,200
Bills in circulation,	30,756	Discounted paper,	61,193 28
Deposites,	3,187 03	Loan to the State,	2,200
Dividends unpaid,	261 50	Due from other	
		banks,	11,329 26
		Bills of other banks,	1,462
		Specie,	2,666 20
		Deficit,	4,153 79
	\$84,204 53		\$84,204 54

Directors' liabilities 15,585 dollars. Last year's dividend four per cent. Stockholders 35. Amount of taxes paid to the State 1,507 dollars 53 cents. Of the discounted paper, there is said to be not exceeding 100 dollars that is doubtful;—about 3,500 dollars bears date prior to January last. This bank will not deposite in the Suffolk Bank, which will therefore not take the bills of the Westbrook Bank; though the latter bank has a deposit in the Merchants' Bank, Boston, of 4,788 dollars, ready to meet all the Suffolk Bank could collect. The "Deficit," is owing wholly to a robbery of the vault, between Saturday night and Monday morning, July 2, 1838—a part being providentially found, leaving the net loss 6,241 dollars; and so much of which has been sunk or made up out of the profits as to leave the above sum of 4,153 dollars 79 cents, to be made up in the same way.

At WISCASSET is the *Mariners' Bank*, chartered March 21, 1835. Its Directors are, William M. Boyd, *President*, John H. Shephard, Wilmot Wood, John Brooks, Henry Clark, all of Wiscasset, Samuel Alley, of Dresden, James McCarty of Westport;—Samuel P. Baker, *Cashier*.

TRIAL BALANCE.

Dr.		Cr.	
Capital Stock,	50,000	Real Estate,	2,349 76
Bills in circulation,	34,453	Discounted paper,	86,466 82
Deposites, ' ,	12,521 87	Loan to the State,	4,120
Dividends unpaid,	1,185	Due from other	
		banks,	1,460 40
		Bills of other banks,	1,088
		Specie,	2,627 55
		Interest on notes past	
		due,	47 34
	\$98,159 87		\$98,159 87

Directors' liabilities 15,169 dollars. Last year's dividend six per cent. Amount paid in taxes to the State 2,014 dollars 11 cents. Stockholders 61. Books and papers are in good order. The amount "due from other banks" is a deposit in the Suffolk Bank. For the preceding six months, this bank has had a permanent deposit of 3,000 dollars in the Suffolk, and an average balance against the latter of 5,000 dollars, in favor of this bank, without interest.

Our system of banking, matured by practical experience and framed by able Legislators, is probably as perfect, as in any State of the Union. Such however have been of late, the uncommon and repeated agitations in all monetary affairs, such the trials of both corporate and individual credit, so various the conditions of different banks, and so entirely several are they in their interests and character, that it has been thought expedient, to report the state of each one by itself. For it is only by particular facts, that the community are enabled to form an opinion. of relative merit, or to judge of the safety or danger, which so directly in these cases concern the public. In furtherance of the same purpose, it remains to take a view of the several parts, which constitute the *Liabilities* and *Resources* of the banks, as exhibited in each Trial Balance.

All *Bank-capital*, is intended to be duly distributed, as no one is allowed by law to own more than a 5th part of any bank, nor any Stockholder to carry more than 20 votes. Yet it is

found, they frequently evade this salutary provision, by holding shares in the names of others, and thus controlling to an improper extent the affairs of the institution. So the law evidently designs, that the credit of a bank should rest essentially on the gold and silver in its vaults; as it requires half its capital to be placed there in specie before any discounts are made; and there to remain till gradually withdrawn, in the regular course of business. For it is a certainty foreseen, that stock based and abiding on the solid specie, will secure public confidence, sustain a large circulation, and command a round price and ready market.—Nay, it will be sought by literary and charitable institutions, females and orphans' guardians;—also the bank will become the general depository of others' monies, and swell its semi-annual dividends. But unfortunately, stockholders, or directors have, in this particular, thought themselves wiser than the law, and have permitted the precious coins to be displaced for a paper substitute, which has not unfrequently proved to the bank, an untimely death-warrant.

So banks are under several wise regulations as to the *Circulation and Redemption* of their bills. For these are not only to be made payable on demand, and in nothing other than gold and silver; the amount allowed by Act of March 17, 1838, to be issued is limited. A bank, having 50,000 dollars capital, may issue bills to the same amount only; having a capital between that and 150,000 dollars, the issue may never exceed three-fourths of it; if it be still greater, only two-thirds as much as its capital, is it allowed to have in circulation. It is believed this law is rarely violated; as few banks ever venture so high as the limited amount.

Of their *Redemption*, much more is to be said. The law requires each bank to pay its bills at its own counter on demand. A failure to do so, incurs a heavy penalty, and also may render liable in certain cases a Stockholder's private property. But although only one Banking institution in the State, the Bank of Oldtown, has, since the passage of the last General Banking law, in 1831, utterly failed; there are many others,

which in a late uncommon emergency did suspend specie payments; and lately a few have not paid their bills or bank notes, when requested; thus violating the express requirements of law. These directions are frequently the first indications of an ultimate failure; and naturally originate among the people, charges upon Boards of Directors of sinister measures, offending mismanagement, and even unhallowed motives.— Indeed how seldom are these indignant reprehensions not justly deserved? For what sufficient excuse can a bank render for its refusal to pay its bill or note in specie, when presented? He who has it, holds it as money, equivalent to the amount expressed upon its face;—it promises no interest and is useless and dead while it remains in his hands. The law allowed to the bank the special favor of issuing it, upon the solemn undertaking of keeping its credit always equal to gold and silver. A failure to do this, is a breach of confidence and honor as well as of promise. Instantly the bill has lost more or less of its value, and has become uncurrent depreciated paper; and its owner is forced to part with it at a loss he ought in no wise to sustain. Its true value is unknown from day to day; yet it is made the laborer's hire, the price of the farmer's produce, and the value of every man's dues, so long as it is allowed to circulate.

These depreciated bills are in character and effect, like the paper currency of former ages, which so much injured the whole community, ruined thousands, and hence brought into the National Constitution, the provision, by which nothing but gold and silver shall be made by any State a tender. In short, no evil in society is more universal, than the circulation of such bills. They effect every one, as every one has more or less dealings in society; and the loss falls altogether disproportionately on the ignorant, poor and unsuspecting, as they are the last to know of their depreciation. The direct and certain tendency is to destroy good faith and fair dealing between man and man; nor will a bank be very anxious to redeem in specie while its agent can purchase its bills at a dis-

count; much less its debtors pay in current money, so long as they can take up their notes by its depreciated paper at par. In as much also as unpaid notes are on interest—bills not, and debtors have the use of the money, the number of such bills in circulation seldom become smaller, often larger, so long as any body will take them; and all attempts to force them home are of course without success.

But the plea of the banks that do not at sight cash or pay their bills, is, their inability to collect their dues. Who, then, have been favored with the loans—who become their principal debtors, but Directors, Stockholders, and their friends?—men, sometimes, of small wealth and smaller principle, who first put the institutions in operation;—men of loud pretensions and slender abilities;—men resolved to make their fortunes and live in fashion, without industry or economy;—these are the men, as Discount books in the banks tell us, who have caused their embarrassments and leanness, and made war upon the community, that they might riot on the spoils. Ought such borrowers, debtors, and their associates, to be exempted from making sacrifices, if sacrifices are necessary, to do justice to the suffering bill holder? It is true, there are many upright and worthy men, connected with these banks that dishonor their bills; still they cannot escape suffering, when so found associated with bad company. For too late, at length, they find it to be both their fault and misfortune to have misplaced their confidence on men who have taken stock and loans, for which they probably never intended to pay—customers who obtained bills from the banks for the purposes of wild or wicked speculation. Yet they live in sumptuous idleness, on means beyond the reach of legal process, reckless of honor and engagement, as many of those who have been their endorsers, are left by them in the depths of pecuniary distress. To banks where such men have been the favored few, and used the money, an injured public will not award much sympathy or forbearance, nor from them very readily listen to excuses for their injustice.

Of *Deposites*, the law makes no particular mention, except

it allows banks to pay interest on them, as is done to a considerable amount. The vaults are a convenience to depositors as places of safe keeping; and besides, Cashiers being skilful men, readily detect among the bills received, such as are counterfeit or uncurrent, and thus prevent their circulation. So the banks, likewise, are not without a remuneration for their trouble, as deposits are mostly holden without paying interest. They are also made in various money, but paid out in bills of the same bank, which thus get a circulation. Nor is it unworthy of remark, that deposits, greater or less, show to some extent, the wealth or business of the place, and the degree of confidence the public have in the banks where they are made.

As gains form the principal object of banking, the law requires Directors to “make half yearly *dividends* of their *profits*” among the Stockholders; and the examiner’s objection is, they oftentimes divide too large a sum. Many banking financiers, experienced and able, think that no more than six, or at most seven per cent. ought ever to be annually divided, as the net profits of few banks during the whole length of their charters will bear a greater dividend. Bad and doubtful debts will occasion losses, and amid changes, there will be extra expences and reduced gains. Why not meet the loss as soon as sustained, by deducting it from the profits, and thus keep the stock at a par value? At the expiration of the bank, if there should be, after paying out the stock, a surplus, which, it is believed, is a rare occurrence, the dividend of it will go very justly to those who have labored and endured to the end. It will however be noticed in the preceding report of individual banks, that they have been managed, the past year, with great caution, the dividends in most of them being small, and in many, nothing. All these, and especially the latter, complain of it as a grievance, that they are obliged to pay taxes to the State—the Stockholders’ taxes also on their shares, and readily cash their bills and debts as they always have done at sight, and yet receive no other income, than the awards of popular jealousy and displeasure. Some agree that the bank tax would be more justly

equalized if graduated to the annual dividends of every bank, instead of resting upon the capital stock. Within the last three years, banks have sustained heavy losses, principally by bad debts—which some have met by deducting them from their profits, and others by reducing their capitals. A few banks have predicated in part, some of their dividends on the uncollected interest of notes past due. Certainly such a practice does not deserve to be approved. For the interest may never be collected, and profits are not truly such till received. It is to be feared, that unpaid interest, so divided, will prove to be taking, in the end, so much from the stock itself.

Of RESOURCES, on the other hand, *Real Estate* is an important item. This, the law allows every bank to own in amount equal to twelve per cent. of its capital, exclusive of what is holden by mortgage or acquired by levies of execution. No bank has transcended this limit; most of them own only the site and edifice of its banking business; and some are wholly without it. In collecting debts of a bank, the law gives the creditor a peculiar advantage, for instead of an extent upon their realty, it may be sold at auction. As the real estate of a bank, however, forms a part of its capital stock, not a few deem it a hardship to be taxed for it as such, since the stockholders are assessed for their shares, of which the real estate itself, as well as the specie, constitute parts. Besides, many stockholders have little else; nearly a million of dollars, in the whole bank capital of the State, being owned by literary and charitable institutions, females and minors.

Discounted paper is intended to embrace all notes, drafts, bonds and other written securities. For although many may have changed their original character to notes receivable, taken in payment of debts and original demands, they are still money securities, and collectively form, with the unpaid discounted paper, more than four fifths of all a bank's resources. Therefore, as the safety of the public and the interest of stockholders are so deeply concerned in the goodness and certain payment of these demands, a few remarks upon this important subject

may be allowable, in addition to what has already been submitted. By the salutary provisions of law, no bank shall vest, use or improve any of its monies or other property in trade or commerce, nor engage in any brokerage—no bank shall owe, besides deposits, nor have due, at any one time, more in amount than twice its capital stock: and should its debts exceed that sum, the Directors at the time, shall be liable for the excess, in their private capacities. No loan shall be made on a pledge of stock for security, nor without at least two responsible names—a firm to be accounted only one. With these last provisions, there is in many banks altogether too lax a compliance. In this department of duty, Directors are often exceedingly blameworthy. It is true, they are individually liable in their private capacity, if through their official mismanagement there is any loss or deficiency of the capital stock; yet their insolvency, as in the failure of the “Bank of Old Town,” may render this clause of the law nugatory and void. If such mismanagement were made an indictable offence, would not a repetition of the wrong be less likely to occur, and the stockholders find renewed confidence in their safety? Two many guards can hardly be placed at this avenue. The direction of any bank committed to men of property, integrity, talents and watchfulness, and to none other, will insure its success and render it flourishing.

The loans with which the banks have accommodated the State, amount at the present time, to 351,221 dollars 71 cents, to which might be added an interest which has been accruing nine or ten months. Of the preceding sum, 139,460 dollars have been drawn from them at an annual interest of *five* per cent., under the banking law which assures the State this privilege. Another valuable advantage the State has derived from the banks, is the tax; 44,570 dollars 22 cents having been paid by them to the State, during the last year. The whole has been promptly remitted to the Treasurer, or controlled by his drafts, leaving no part unpaid from any one, except 250 dollars, the

semi-annual tax due the 1st of October last, from the Stillwater Canal bank. It is true that the bank tax is appropriated by law towards "the support of primary schools," always an object unquestionably of the first importance to the whole community; yet the State in its emergency has had the advantage of using the money, as a help towards sustaining public credit. Are not banks, then, of such promptitude, and such service, worthy of popular confidence and public patronage? When well regulated and honorably managed, they afford numerous other accommodations, as the merchant, the traveler, the execution debtor, will not fail cheerfully to bear attestation.

The *stocks*, which form a part of the resources in several banks, consist principally of shares in their own, or in others of this State. Their own, they say, they have taken in payment or as security of their respective debts. But if doubtful securities, taken for loans, are ultimately paid by the stock of the same bank; how much does this process differ in effect from loans on a pledge of stock which the law forbids? Or is the case essentially improved, if shares are pledged, in trust, to some officers of the bank, to secure the payment of notes due to the same institution, for shares or for loans, as is frequently done to a large amount? But the reason, why the banks when examined, have not reported as such, the stocks owned by them to a large amount, in other banks, remains to be explained. They cannot be properly blended with any other item in the trial balance; yet it may be considered not within the scope of a Commissioner's duty, to expect a statement of such stocks. It is a fact, however, worth knowing; for if several solvent banks own most of the stock, in any other, even in that for instance at Oldtown, the public would be safe. All the bank stock the State owns, amounts to \$21,000, namely, ten in the Augusta, six in the Mercantile, and five in the Maine Bank.

A view of the *debts due to and from the several banks*, necessarily introduces us to what is called the *Suffolk system*, estab-

lished about fifteen years ago, in Boston. This originated in a coalition of banks formed there to prevent the circulation of eastern and country bills, that they themselves might thereby have the whole region of New England for an extended circulation of their own bills. To create a fund for the purpose, they required of our banks, *severally*, a large permanent deposit, to be made and kept constantly in the Suffolk bank, without interest,—generally from three to five thousand dollars; and further sums also to be placed there or in some other of the combined banks, sufficient to redeem all their respective bills, as soon as received in that metropolis. Should any bank refuse to comply with the demand, its bills were to be collected and run home in sums large enough if possible to take all its specie and destroy its credit,—to be repeated till such bank would submit to terms, and pay the runner the expenses of his journey. In fine, to assure the certain execution of the scheme, the combined banks agreed to advance funds, in case sufficient were not coerced from the eastern and other banks, to effectuate the purpose.

Now what have been the operations and effects of this system? At first, several of our banks resolved manfully to resist it, and redeem their bills at their own counters. Yes, and they did sustain themselves, till they found, that as a few could not have formed the league—neither could individual banks break it. Repeated runs upon them, at length forced submission to the terms, however humiliating and arbitrary; so that, nearly all of our banks now pay tribute to the monopoly. Our funds were the first object of the combination; for if an individual bank finds a constant deposite of \$10,000 conducive to its interest; surely the combined banks would not think it unworthy of effort, to get the possession and management of half as many millions. Our bank capital amounts to \$4,882,000; and the bank bills let go on loans, every year, are supposed to be equal to that sum and half as much more, in all \$7,323,000. These are mostly redeemed in Boston, equal probably to

\$140,000 weekly; for which our banks furnish the funds or ready means. All those, which are in the Suffolk, lay there without interest; though it is true, that such as are in others of the combined banks, sometimes draw an interest of 4 per cent. on the smallest sum, during each month—equal perhaps to 3 per cent. of the whole true amount. To remit money, provide funds and thus redeem in Boston, is fraught with oppressive evils. First, it is contrary to the spirit of our laws, which prescribe where each bank shall be located, and intends its bills shall be redeemed at its own counter. As part of its funds must be kept in vault, if a part be sent away, the bank thus becomes weakened, and is constantly liable to perplexity. The remission of so large an amount of funds, especially when in money, and the return of the redeemed bills are attended with expense, risk and not unfrequent losses; and the banks and country towns, in times of stagnation, are drained of specie and other money for Boston, when most needed as a currency. In fact, though some banks near each other, exchange bills; yet many send those of their immediate neighbors, away to the Suffolk; and thus the condemned system makes banks of necessity compete to do each other injury by preventing a circulation of their respective bills. Nor are these all the evils; for instead of notes which banks would but for the monopoly receive payable at their own counters, for loans and discounts; there are exacted drafts, payable in Boston, amounting to millions of dollars every year;—to the great inconvenience, and commonly the damage, or cost of the borrowers; more especially when they are under the necessity of remitting the money, or paying an exchange, perhaps of one per cent. to engage the bank to send for such draft. This, banks take frequently, to repay them for their extra trouble. To all this, is to be added always, the Notary's fees on all protested paper, and likewise a large amount of statute damages, every year; nearly all of which would probably be avoided, were the paper made payable at the bank, which discounted it.

It is also an often remark, that it is not known, how the Suffolk bank, at the head of the combination, does by any *principles*, conduct its agency. For it exacts of one eastern bank a permanent deposite of \$5,000, of another \$2,000, of a third, a yearly stipend of \$50 or \$100, and of a fourth, nothing. So it covenants or agrees with favorite banks to redeem their bills, thousands of dollars over and above all deposites and funds of theirs in possession; with others, it opens an account current; the bills of a third class, it takes without even a deposite, and sends them to their agents, especially if they be any of the combined banks; while it will not take a bill of a fourth class, after there is no deposite left in its hands. Nay more, it denounces to be published in the newspapers, any one and every one, that ceases to deposite there; it strikes off others, that is, declares it will redeem their bills no longer, without stating any reasons why, or as some say, without previously advising or admonishing them of the alarming doom; apparently reckless of their fate and credit, if not of their ruin. Or otherwise, should there perchance remain a balance against some of them, their destiny is presently consummated by an attachment. Yet how few the reason know, or have the right to enquire, why this dark partiality of measures? Like most arbitrary power, wherever vested, it claims to exercise its will as suits with choice. For since the last general Banking law of this State, passed March 31, 1831, the antetype of all our charters, the combination has lost nothing by any of our banks, except perhaps the one at Oldtown; and even the demand against this one is said to be less than sixteen hundred dollars, and probably secured. There is however, one principle of action, it is believed, in which the Suffolk is pretty uniform; this is, where it redeems the bills of any banks beyond their funds, it charges them respectively with a *daily* interest on the amount above their permanent deposites, also for postages and all incidental expenses; though it never pays interest on an excess of funds, due any bank. Seventeen banks in Boston, in November last,

owed \$2,135,000 to other Banks, of which, \$1,064,898 lay in the Suffolk bank without interest, by means of which it makes great dividends.

But the combination have not only had the use and management of our funds and profits of them; they have, for years, and probably to the extent of their original design, holden in duress, our circulation, though sufficiently restricted by our own laws. No doubt it is a grateful system to them, for rigid and arbitrary as it is, never was it enforced with more pertinacity. Every eastern bill, as soon as it shows its face in Boston, whether paid for purchases or debts, is forthwith hurried into the Suffolk Bank, to rest in its shroud till paid for by its maker and forced home. No where else do our bills suffer such a sudden arrest and confinement; though probably, not half so many of our bills are carried to all other places without the State, as to Boston. The reason is obvious, for that city has had a larger and more lucrative trade, with the people of Maine, for the last half century, than with any other of equal numbers and wealth in the world. Not only is there a vast amount of money annually paid for commodities sold us there on a profit; but the sellers themselves often receive their pay in lumber, fish and other articles, on which they also realize a profit. But will not the merchants and bankers of the metropolis be content to grow rich by our trade and intercourse, without an arbitrary persevering monopoly of our circulation? What can be more affronting than for a combination to decree, that our bills shall not, like our commerce, have free course? and is the thralldom to abide always? Most of our banks are in a state of servility to the Suffolk. At one time, that bank engages to redeem the bills of our banks, some thousands, after their funds in its hands are exhausted. Then suddenly, and always in emergency, it sends abroad its circulars, in refusal to redeem further, and in requisition of immediate payment of all dues—virtually ordering them to keep their permanent deposits good and to make no more loans till permitted. All the banks imme-

diately shut down the gate; discounts every where among us cease; our bills in circulation are hastily collected and transmitted to Boston; debtors at home are pressed; and scarcity becomes truly distressing. Not readily seeing the main spring of this machinery and movement, the people are apt to raise their complaints against the banks themselves. They have now, however, just perceptions upon this subject, it being at length, extensively seen, that the dependency of our banks upon the Suffolk system, renders them sensitive or servile to its policy and management; whether it be suspension or resumption of specie payments, or other change; and that the time has arrived when the chains of dependency and connexion ought to be severed, and when our banks instead of being compelled to become borrowers, should become and be only lenders.

In vain can it be any longer argued with the least plausibility, that the system is any other than a public evil, formed and enforced for the sole purposes of private gain. The facts are,—Our circulation has seldom been less; our banks are in a condition especially good; our bills ask no aid from the combined banks, to give them a quick and extensive currency at par, whenever offered; we only request and demand to be left to ourselves. The losses, which some of our banks sustained by the failure of several in Boston, plead loudly against venturing funds with others there. It is believed they are not so certainly and generally safe, as those in Maine. For within three years past, six of the Boston banks, with an aggregate capital of \$2,300,000, have failed;—to only one of \$50,000 in this whole State. But the combined banks would have an oversight of those in Maine—and take care, that their issues of bills be not too large, and that they preserve a par value. Yet benevolent and disinterested as the motive may be, the guardianship is indignantly repudiated. It is believed, our bankers, merchants and mariners have as much reason to enter into a league to break off from Boston and turn the trade to

New York, as for the self-created Suffolk combination to dictate, that our bills shall be redeemed in the emporium of New England; and our Legislature has expressed the public mind upon this subject, by the Act of March 17, 1838, which allows a bank, that redeems only at its own counter, thirty days, to meet a run of its bills when made; while no more than half that period is granted to such as redeem elsewhere. The period might still be enlarged, whenever the sum presented to a bank exceeded eight or ten per cent. of its circulation; or if it redeemed its bills at any other place than at its own counter, the act might be made penal even to the forfeiture of its charter. A remedy is needed, and the Legislature has the wisdom to devise and apply it. We perceive, in the preceding view, why our banks should have so many *debts due to and from them*, and how it is so much for the interest of the combined banks not to relax their system of rigor. But it is believed, if the chains were once broken off which bind ours to them, our circulation, unshackled, would be more healthful and extensive; loans would not be so much affected by every remote incident or change; specie would naturally find channels into the vaults, and funds would be more easily increased. For according to the maxims of practical observing men,—all commerce flourishes best, when left mainly to regulate itself,—and money untrammelled will always find the places where most needed, as water finds its level.

As to *Bills of other Banks and Specie*, the former were not found any where to a very large amount—they being principally those of this State. At present, our paper currency is little burdened with counterfeits, and is exceedingly fair. The *specie* in the vaults this year amounts to 217,564 dollars. No copper coin is taken or passed at any of the banks, except cents. From the Mint at Philadelphia they are obtained by the Taunton Copper Foundry, Mass., in exchange for copper, and delivered to several banks free of expense to them. The silver coins mostly found, are our federal money; Spanish milled

dollars and their aliquot parts; French five frank pieces; dollars of Mexico, Peru, Chili, Central America, and Brazil, made a tender by Act of Congress, June 25, 1834. Also a few pistareens and French starr'd crowns. Of gold coins found, are whole, half, and quarter eagles; sovereigns each at 4 dollars 84 cents; Spanish doubloons, 15 dollars 50 cents; Mexican patriots, being a little lighter; Portuguese johannes and halves, and gold Columbias, weighing in value 1 dollar 91 cents to 2 dollars 32 cents each. As all foreign gold coins pass by weight, seldom by tale, particular attention ought to be paid to the law of March 31, 1831, which requires banks "to have all the weights used" in them, sealed once in five years; more especially as Congress have at length ordained and fixed a standard, which our State Legislature, March 2, 1839, adopted and required to be used.

All which is respectfully submitted.

WILLIAM D. WILLIAMSON,
Commissioner.

BANGOR, Jan. 14, 1840.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }
Jan. 18, 1840. }

ORDERED, That 300 copies of the communication from the Governor, accompanied by the Report of Wm. D. Williamson, Commissioner to examine into the doings of Banks, be printed for the use of the Legislature.

[Extract from the Journal.]

Attest:

ELBRIDGE GERRY, *Clerk.*