

# MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE,  
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OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1841.

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**Augusta:**  
SEVERANCE AND DORR, PRINTERS TO THE STATE.

1841.

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**TWENTY-FIRST LEGISLATURE.**

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**NO. 10.**

**SENATE.**

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**REPORT**

OF THE

**BANK COMMISSIONERS**

IN RELATION TO THE

**BANK OF WESTBROOK.**

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SEVERANCE & DORR,.....Printers to the State.

*To the Senate and House of Representatives:*

I herewith communicate for your consideration the Report of the Bank Commissioners, relative to their examination of the Bank of Westbrook, made by order of the Executive in compliance with a request of the two Houses of the Legislature.

EDWARD KENT.

C O U N C I L C H A M B E R, }  
February 26, 1841. }

*To the Governor and Council:*

In pursuance of your instructions, the undersigned Bank Commissioners have visited the Bank of Westbrook and examined into its affairs, and now submit to you their

## **R E P O R T .**

The present condition of the Bank of Westbrook may be seen by the following statement of its resources and liabilities, made up on the day of its examination :

### **RESOURCES.**

Loan,	-	-	-	-	\$54,353 67
Real Estate,	-	-	-	-	1,200 00
Due from Merchants' Bank, Boston,	-	-	-	-	486 99
Deposit in Canal Bank,	-	-	-	-	6,159 28
Checks,	-	-	-	-	47 19
Specie,	-	-	-	-	2,227 75
Bills of other Banks,	-	-	-	-	3,347 56
					<hr/>
					\$67,822 44

### **LIABILITIES.**

Capital Stock,	-	-	-	-	\$50,000 00
Circulation,	-	-	-	-	18,705 00
Deposits,	-	-	-	-	3,421 39
Unpaid Dividends,	-	-	-	-	455 00
					<hr/>
					\$72,581 39

To balance this account, there may be added the surplus of interest over expenses, \$241 05, and the deficiency in the capital accruing from the robbery of the Bank in July, 1838, \$4,758 95. The exhibit shows a healthy and sound condition in the affairs of the Bank ; its immediate liabilities, including its whole circulation, which under no circumstances could sud-

denly be presented for payment, being \$22,581 39; while its immediate cash means are \$12,268 77.

The loan in general appears to be of a safe and active character; a large part of it being business paper, which is met at maturity. The circulation of the Bank is redeemed at the Canal Bank in Portland or in specie at its counter, and averaged about \$20,000 during the last year, of which about \$2,000 is weekly redeemed. Under its present management, which seems to be prudent and judicious, we think the institution safe both for the public and the stockholders.

In regard to the commencement of its operations, the Bank was unfortunate in the connexions it formed. A number of persons in Boston became stockholders, who did not promptly meet their subscriptions, and it formed a connexion with the Franklin Bank of that city, which did not add to its reputation.

It had hardly recovered from these embarrassments when its vaults were entered by some unknown person, and it sustained a loss of \$7,886 81, in specie and bills, of which only \$1,545 22 have ever been recovered. The deficiency has not been made good; although the Directors have made frequent dividends since that period, reserving small portions of its earnings from time to time, to reduce the loss. The actual deficiency in its funds from all its operations, is, as we have stated above, \$4,758 95, exclusive of such losses as may take place upon its loan. No suspicion has rested upon any individual as the author of this robbery; the bank was entered without violence, between its close on Saturday, the 30th of June, 1838, and its opening on the Monday morning following. The vault was a large iron safe set in brick work, having three iron doors, each provided with the locks usual on similar chests. The doors in the morning were found by the Cashier and President unlocked, and the specie scattered on the floor of the adjoining room. Of \$2,600 in specie, which was in the safe, but \$800 were taken, about \$5,400 of the bills of the bank, and remainder in bills of other banks.

On the 7th of July following, a bag belonging to the bank, containing \$1545 22, two or three hundred of which was in specie, was hooked from the dock in Portland, near where the Steam boats usually lie, by a boy who was fishing, and returned to the bank. The Directors have no suspicions of any individual, and can give no facts or circumstances tending to throw any light upon the transaction.

Rumors have been in circulation in Portland and the neighborhood of the bank, within two or three weeks, of an attempt to purchase a majority of this stock, by persons residing out of the State. The books of the bank furnish no evidence of such an attempt, and the Directors and the principal Stockholders in Westbrook are firm and resolute in their opposition to any such measure. If there is such an undertaking contemplated, these persons have no participation in it. The only transfers of stock recently made, are of 103 shares to three persons resident in this State, but we have been informed that contracts have been entered into for the purchase of other shares, and offers repeatedly made to several of the Stockholders for the purchase of their stock, at rates much above the market price or real value of the stock.

One of the late purchasers gave \$80 a share, and in one instance \$90 was paid, and \$96 was offered to one individual. One of the persons who has made purchases at some of these rates, sold his own stock not long ago at \$65 per share. These statements we have from Stockholders, who have personal knowledge of the facts.

We do not think it proper to embody any of the rumors which are afloat, in regard to the purchases of this stock for improper purposes, having been furnished with no authentic evidence on the subject. We will however take occasion to revert to some evidence which we discovered at this bank, disconnected entirely with recent transactions there, of the design of persons resident abroad to procure an interest in our banking institutions. One was a letter from a person in Michigan, writ-

ten as early as February, 1839, saying, "I am desirous in behalf of myself and others, to procure the controlling stock of an eastern bank, with a small capital and an established reputation. Our State is deeply in debt, and our currency so much deranged, that the banks are unable to grant any facilities for business operations. An eastern bank with an agency in this place for exchange purposes, would easily sustain as large a circulation as its charter allows, with the advantage of having it well distributed over the western States."

Another letter from J. M. True, one of the purchasers of stock in the Globe Bank, was received by the Cashier of the Bank of Westbrook, as late as December 23, 1840, from which we make a short extract, of the substance of the letter. "Astor House, New York, Dec. 23, 1840. Dear Sir, I wish to know if the Bank of Westbrook would like to exchange say two or three thousand dollars of their bills for a like amount of the bills of another eastern bank in Maine, the bills of which are current in Boston and other places, where the bills of your bank are current."

Both of these proposals were promptly rejected by the Directors of the bank, and we introduce them to show how extensive the projects have been to make use of the credit and capital of eastern banks, for purposes of private traffic and speculation. And in this connection we may properly remark, that the bills of the Newburyport and of the Washington County Banks have been used in Portland, or attempted to be, in exchanges and purchases of stock.

The Directors of the Bank of Westbrook and several leading stockholders, under the threatened aspect of affairs in that institution, are desirous of surrendering their charter into the hands of the Legislature from whom they received it, preferring, as they say, to cease their operations, to incurring the risk of loss and injury by bad management. On this point we can give them no assistance, but refer them to the Legislature, which only have the power of redressing their grievances, if they shall be considered to have any.



We annex a list of the present stockholders, the three last being the latest purchasers, together with the names of the present officers of this institution.

WM. WILLIS,  
JAMES CROSBY.

February 26, 1841.

LIST OF STOCKHOLDERS OF THE BANK OF  
WESTBROOK, FEBRUARY 23, 1841.

Oliver Buckley,	21	Asa Clapp,	10
Samuel B. Stevens,	9	David Pettingill,	3
E. D. Woodford,	12	Miriam Stevens,	1
Samuel Jordan,	26	F. O. French,	1
Rufus Morrill,	10	Walter B. Goodrich,	3
Gerry Cook,	14	Allen Porter,	45
Levi Morrill,	15	Middlesex Bank,	5
Jonathian Smith,	5	Ann Jameson,	48
William Coe,	10	Bank of Cumberland,	20
Jos. Walker, Jr.	12	Rebecca K. Chesley,	6
John K. Simpson,	10	Almira Broad,	5
William Kimball,	5	S. H. Chandler,	8
Francis O. J. Smith,	5	Bank of Westbrook,	20
Freeman Bradford,	26	C. C. Tobie,	1
Mehitable Alden,	7	Moses Hall,	78
Josiah Webb, Jr.	7	Sewall Milliken,	12
Levi S. Bartlett,	17	Joseph Badger,	13
Orin F. Woodford,	10		
			500

OFFICERS.

SAMUEL JORDAN, *President.*

SAMUEL B. STEVENS,  
LEVI MORRILL,  
JOSEPH WALKER, JR. } *Directors.*  
C. C. TOBIE,

ALBERT G. FOBES, *Cashier.*

STATE OF MAINE.

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IN SENATE, February 26, 1841.

Read and laid on the table, and 1000 copies ordered to be printed for the use of the Legislature.

[Extract from the Journal.]

ATTEST, DANIEL SANBORN, *Secretary.*