

Insurance of Bank Obligations in Ohio, 1845-1866

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OHIO

Additional material pertaining to insurance of bank obligations in Ohio, 1845-1866, can be found in the following folders filed with this binder:

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MATERIALS REGARDING INSURANCE OF BANK OBLIGATIONS
IN OHIO, 1845-1866

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WESTON BOARD
EXHIBIT
EXHIBIT

organized and supplied with suitable apparatus for the use of their respective companies, be and the same is hereby repealed.

JOHN M. GALLAGHER,

Speaker of the House of Representatives.

DAVID CHAMBERS,

Speaker of the Senate

February 25, 1845.

AN ACT

To incorporate the State Bank of Ohio and other Banking Companies.

Who, and how
many may en-
gage in banking.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio,* That it shall be lawful for natural individual persons, not fewer in number, in any case than five, to associate and form companies for the purpose of carrying on the business of banking, each in such place in this state as shall be designated in its articles of association, and in the certificate hereinafter required to be made, subject, however, to the contingencies, restrictions, conditions, and liabilities prescribed in this act.

Maximum of
capital stock.

SEC. 2. The aggregate amount of capital stock of all the companies, authorized by this act to be formed, and to carry on the business of banking within this state, shall not, until an additional amount shall be authorized by law, exceed six million one hundred and fifty thousand dollars; which sum shall not, however, be construed to include the capital stock of such companies, as, by name, shall be authorized to continue or to resume the business of banking, subject to the provisions of this act.

The state divi-
ded into twelve
districts.

SEC. 3. For the purpose of securing to the several sections of the state, a fair participation in the privileges granted by this act, the state shall be divided into twelve districts, and the banking capital authorized by the second section, shall be apportioned among such districts, and the number of banking companies to be formed therein, shall be limited as provided in this section, that is to say—

First district;

The counties of Hamilton, Clermont, Brown, Clinton, Warren, and Butler, shall compose the first district, in which the number of banking companies to be formed shall not exceed five, with an aggregate capital not exceeding one million two hundred thousand dollars.

Second;

The counties of Greene, Montgomery, Preble, Miami, Darke, Shelby, Mercer, Allen, and Vanwert, shall compose the second district, in which the number of banking companies to be formed shall not exceed five, with an aggregate capital not exceeding six hundred thousand dollars.

Third;

The counties of Putnam, Paulding, Williams, Henry, Lucas, Wood, and Hancock, shall compose the third district, in which the number of banking companies to be formed shall not ex-

ceed four, with an aggregate capital not exceeding three hundred thousand dollars.

The counties of Ottawa, Sandusky, Erie, Huron, Richland, Seneca, Wyandott, and Crawford, shall compose the fourth district, in which the number of banking companies to be formed shall not exceed four, with an aggregate capital not exceeding four hundred thousand dollars. Fourth ;

The counties of Hardin, Marion, Delaware, Franklin, Union, Logan, Champaign, Clark, and Madison, shall compose the fifth district, in which the number of banking companies to be formed shall not exceed six, with an aggregate capital not exceeding five hundred thousand dollars. Fifth ;

The counties of Pickaway, Fayette, Ross, Highland, Adams, Scioto, Lawrence, Gallia, Pike, and Jackson, shall compose the sixth district, in which the number of banking companies to be formed shall not exceed five, with an aggregate capital not exceeding five hundred thousand dollars. Sixth ;

The counties of Meigs, Athens, Washington, Monroe, Morgan, Muskingum, and Guernsey, shall compose the seventh district, in which the number of banking companies to be formed shall not exceed six, with an aggregate capital not exceeding five hundred thousand dollars. Seventh ;

The counties of Hocking, Perry, Fairfield, Licking, and Knox, shall compose the eighth district, in which the number of banking companies to be formed shall not exceed four, with an aggregate capital not exceeding four hundred thousand dollars. Eighth ;

The counties of Wayne, Stark, Holmes, Coshocton, and Tuscarawas shall compose the ninth district, in which the number of banking companies to be formed shall not exceed three, with an aggregate capital not exceeding two hundred and fifty thousand dollars. Ninth ;

The counties of Belmont, Harrison, Jefferson, Carroll and Columbiana shall compose the tenth district, in which the number of banking companies to be formed shall not exceed five, with an aggregate capital not exceeding five hundred thousand dollars. Tenth ;

The counties of Trumbull, Ashtabula, Lake, Geauga, and Portage shall compose the eleventh district, in which the number of banking companies to be formed shall not exceed five, with an aggregate capital not exceeding three hundred thousand dollars. Eleventh ;

The counties of Summit, Medina, Lorain and Cuyahoga, shall compose the twelfth district, in which the number of banking companies to be formed shall not exceed eleven, with an aggregate capital not exceeding seven hundred thousand dollars. Twelfth.

Sec. 4. The number of banking companies which shall be formed and permitted to engage in the business of banking, under the provisions of this act—in the county of Hamilton shall not exceed four. In the county of Cuyahoga, six. Number of banking companies limited in counties designated.

In the county of Franklin, three. In the county of Ross, two. In the county of Muskingum, two. In the county of Jefferson, two. In the county of Summit, three. In the county of Lucas, two. In the county of Miami, two. In the county of Montgomery, two; and in no other county in the state shall there be more than one company formed under the provisions of this act, and permitted to engage in the business of banking, except under the circumstances mentioned and provided for in the twelfth section of this act; provided that not more than two companies shall be authorized to commence and carry on the business of banking, as branches of the State Bank of Ohio, under the provisions of this act, in any one of the counties named in this section, excepting the county of Hamilton, and in the county of Hamilton, not more than three such branches shall be so authorized; and if a greater number of companies, formed for the purpose of banking in any such county, shall elect to become a branch of the State Bank of Ohio, the commissioners, hereinafter appointed, shall reduce such number to the number in this section limited, in conformity to the rules prescribed in the eleventh section of this act.

Who shall constitute the board of bank commissioners;

—to continue in office one year.

Governor to appoint first meeting under this act, and notify each member.

Bankers to make certificate, specifying the name of company.

SEC. 5. To carry into effect the provisions of this act, John W. Allen, Joseph Olds, Daniel Kilgore, Alexander Grimes and Gustavus Swan, shall be and they are hereby appointed commissioners, and they, or a majority of them, after taking an oath diligently, faithfully, and impartially to perform the duties assigned them by this act, a certificate of which oath shall be filed and carefully preserved in the office of the secretary of state, shall constitute a board to be designated the board of bank commissioners; which board shall continue for one year from the date of this act, and thereafter the duties which they are required, by this act, to perform, shall devolve on, and be performed by, the auditor, treasurer and secretary of state, who shall be commissioners to perform such duties; and if any of said commissioners shall refuse to serve, shall die, or resign, his place shall be filled by the general assembly, by joint resolution, if in session, and, if not, by the governor.

SEC. 6. Said commissioners shall meet in the city of Columbus, at such time, within thirty days after the passage of this act, as shall be appointed by the governor, who shall notify each member of his appointment, and of the time and place of meeting; they shall, when met, appoint one of their number to be their president, who shall, under the order of the board, sign all official documents; and they shall cause a fair and true record of all their official proceedings to be kept in a book, provided for that purpose.

SEC. 7. Persons associating to form a banking company, shall, under their hands and seals, make a certificate, which shall specify:

First—The name assumed by such company, and by which it shall be known in its dealings, in which name shall be inclu-

ded the name of the city, village, or town, in which its banking operations shall be carried on;

Second—The amount of the capital stock of such company, and the number of shares into which the same is divided;

Third—The name and place of residence and the number of shares held by each member of the company;

Fourth—The time when such company shall have been formed;

Fifth—That such company has elected to carry on its operations as an independent banking company, or, as a "branch of the State Bank of Ohio," as the case may be, which certificate shall be acknowledged before a justice of the peace or notary public, and shall be recorded by the recorder of the county where such company is to be established, in a book to be kept by him for that purpose, which shall at all times during office hours be kept open for the inspection of any person wishing to examine the same; one copy of which certificate duly certified shall be transmitted to the secretary of state, who shall record and carefully preserve the same in his office, and another to the board of bank commissioners.

Sec. 8. No company shall be permitted to commence or carry on the business of banking under the authority of this act, as a branch of the State Bank of Ohio, unless its capital stock shall be at least one hundred thousand dollars, nor as an independent banking company, unless its capital shall be at least fifty thousand dollars, nor in either case shall the capital stock of any such company exceed five hundred thousand dollars; provided however, that the certificates of the funded debt of this state, or of the United States, deposited with the treasurer of state, as collateral security for the redemption of the notes of circulation of any independent banking company shall not be deemed a part of the capital stock of such company, within the meaning of this act. At least thirty per centum of the capital stock of each company shall be paid in gold and silver coin, or their equivalent, one half of which, thirty per centum, at least, shall be in gold and silver coin, and shall be in the actual possession, and bona fide, the property of the company at the time of the commencement of its banking business, and at the place designated for carrying on such business, and the remainder of the capital stock of such company shall be paid in, in installments each of at least ten per centum, on the whole amount to which the company is limited, as frequently as one installment at the end of each succeeding ninety days, from the date of the commencement of its banking operations, until the whole amount of capital stock is paid in; but when any banking company formed under the provisions of this act, shall have paid in at least sixty per centum on the gross amount of its capital stock, and shall deem a further extension of its capital at such time unnecessary, such company may, if a branch of the State Bank of Ohio, apply to the board of control, or, if an independent banking company, to the governor,

Am't of stock.

Number of shares.

The time when the company was formed, and whether an independent company or a branch of the State Bank.

Said certificate to be recorded, &c., &c.

Capital stock of an independent bank to be at least \$50,000, and of a branch of State Bank \$100,000, and the capital of neither to exceed \$500,000.

Certificates of funded debt not deemed a part of capital stock.

Amount of the capital stock of each company to be paid in gold or silver coin, or their equivalent;

How and when to be paid.

The board of control or governor, may, under certain circumstances, extend the time of payment of stock.

for an extension of the time for paying in the remaining installments on its capital stock, and if, after a careful examination of the facts, the board of control or the governor, as the case may be, shall be satisfied that public convenience does not require an increase of the capital stock of such company as rapidly as required by the foregoing provisions of this section, the board of control, or the governor, as the case may require, shall authorize such further extension of the time for paying in the remaining installments as shall be deemed compatible with the public interest; and this section shall not be so construed as to prevent any independent banking company that, previous to commencing its business as a bank, shall have paid in on its capital stock not less than thirty thousand dollars, and shall have deposited with, and transferred to, the treasurer of state, certificates of funded debt, as required by this act, to any amount not less than seventy thousand dollars, and shall also have complied with all the provisions of this act, other than such as relate to the amount of its capital stock, from commencing and carrying on its business as an independent banking company; and, in such case, such company shall not be required to have or pay in any additional amount of capital stock.

Upon failure, on the part of assignees or shareholders, the directors may sell their stock.

SEC. 9. If any shareholder, or his assignee, shall fail to pay any installment on the stock, when the same is required by the foregoing section to be paid, the directors may sell said stock, at public auction, having given three weeks previous notice thereof, in a newspaper published in the county where the company is located, to any person who will pay the highest price therefor, and not less than the amount then due thereon; and the excess, if any, after paying the expenses of sale, shall be refunded to the delinquent stockholder. If no bidder can be found, who will pay for such stock the amount due thereon, to the company, and costs of advertisement and sale, the amount previously paid shall be forfeited to the company; and such stock may be subsequently sold, in such manner as the directors may order.

When and where the board of bank commissioners may examine the certificates of banking companies, and the duties and qualifications of agents appointed to examine the condition of banks.

SEC. 10. After the expiration of two months, and within three months from the date of this act, the board of bank commissioners shall examine the certificates of the formation of banking companies, transmitted to them as required by the seventh section of this act, and shall, by one of their own members, or other special agent appointed by them for that purpose, who shall not be a stockholder in any of the companies formed under this act, immediately proceed to examine the condition of each of the banking companies which shall have transmitted to the said board the required certificate; and it shall be the especial duty of such agent to carefully count, or otherwise ascertain, the amount of money paid in on account of its capital stock; to ascertain the name and place of residence of each of the directors of such company, and the amount of capital stock of which each is the bona fide owner; whether such

company has complied with all the requirements of this act, necessary to entitle the company to engage in the business of banking; and he shall cause to be made, and attested by the oath of the majority of the directors, and by the cashier of such company, a statement of all the material facts necessary to enable the board of commissioners to determine whether such company is lawfully entitled to commence the business of banking under the provisions of this act; and such agent shall immediately report to the board of bank commissioners such statement, and his proceedings in the premises.

SEC. 11. If, upon a careful examination and comparison of the certificates of association, and the reports and statements of the special agents, appointed to ascertain whether the banking companies, authorized by this act, have complied with its provisions, it shall appear that any number of companies have been formed, and are lawfully entitled to commence the business of banking, provided the number of such companies, and the amount of their capital, collectively, in any district, shall not exceed the number and the amount of capital assigned to such district, nor in any county the number assigned to such county, the commissioners shall certify the same to the governor, who shall, if he be satisfied that the law has, in all respects, been complied with, issue his proclamation, setting forth that such companies are authorized to commence and carry on the business of banking, at the places severally designated in their certificates of association; but if the commissioners shall find that a number of banking companies shall have been formed, and shall have complied with all the requisitions of this act, preliminary to the commencement of the business of banking, in any district, greater than the number assigned to such district, then the commissioners shall determine which of such companies are to be preferred, and certify the same to the governor, as in this section provided; and, in forming such determination, they shall apply the following rules, in the order which they stand:

First: They shall avoid depriving any county, in which one or more of such companies are formed, of at least one.

Second: They shall prefer such companies as have the largest capital, provided at least thirty per centum thereof shall have been paid in.

Third: They shall prefer the company or companies whose stock is in the largest proportion, owned by citizens of the county in which such company is formed.

Fourth: They shall prefer the company or companies whose stock is in the largest proportion, owned by the citizens of the state.

Fifth: They shall prefer companies constituted by the most responsible stockholders. And in case more companies shall have been formed, and shall have complied with all the requirements of this act, preliminary to the commencement of business in any county, than the number assigned to such county, the

Duty of commissioners after they shall have examined the certificates and reports and statements of their agent or agents.

When more banking companies have been formed than are assigned by this law, in any district, the commissioners shall so select as to leave one in counties where companies have been formed.

They shall prefer companies having the largest capital;

—The largest stock owned in the county, and in the state;

—And having the most responsible stockholders.

When the companies in any district have, collectively, a larger amount of capital than that apportioned to each district, the amount shall be reduced by an equal ratio.

After the end of two years from the date of this act, companies may increase their capital stock, under certain specified restrictions.

commissioners, in determining to which a preference shall be given, shall observe the foregoing rules, excepting the first, in the order in which they stand. And if, after reducing the number of banking companies in any district to the number assigned to such district, it shall be found that such companies have, collectively, a greater amount of capital than the amount apportioned to such district, then the commissioners shall bring the aggregate capital within the prescribed limits, by reducing the capital which each company shall be authorized to employ, in equal ratio, on the amount thereof, over the minimum amount prescribed for such companies.

SEC. 12. After the end of two years from the date of this act, any banking company formed in any district may increase its capital stock to any amount not exceeding five hundred thousand dollars, nor exceeding the amount of capital assigned to such district, and remaining unappropriated; and in case more than one banking company shall apply for an increase of its capital stock, and the amount of the proposed increase shall exceed the whole amount of capital unappropriated in such district, then the commissioners shall assign such unappropriated capital, equally, to the companies demanding the same; but any new company, formed in any county having no banking company in the same, shall be preferred at any time before such capital is finally appropriated.

IN RELATION TO THE STATE BANK OF OHIO.

Whenever any number of companies, not less than seven, shall elect to commence banking operations, as branches of State Bank, they shall appoint members of the board of control.

Qualifications of members of the board of control.

When the board of control shall meet; how, and in what manner organized.

SEC. 13. Whenever, from an inspection of the certificates transmitted by banking companies to the board of bank commissioners, it shall appear that any number of said companies, not less than seven, inclusive of such existing companies as are, by this act, especially authorized to resume or continue banking operations under its provisions, have made their election to transact their banking operations, as branches of the State Bank of Ohio, and have complied with the requirements of this act, preliminary to the commencement of banking operations, then said commissioners shall immediately notify each of said companies thereof; and within ten days after receiving such notice, they shall each appoint, in such manner as the directors thereof shall prescribe, one person to be a member of the board of control of the State Bank of Ohio; and any two or more of such banking companies may unite in the appointment of the same person. But no person, who is not a citizen of the United States, and a resident of this state, and who has not resided within this state at least two years next previous to his appointment, shall be a member of the board of control.

SEC. 14. The members of the board of control, who shall have been appointed agreeably to the provisions of the next preceding section, shall meet in the city of Columbus, at such time as shall be designated by the board of bank commissioners, who shall give ten days previous notice to each branch of the time of such meeting; they shall each take on oath diligently,

faithfully, and impartially to perform the duties imposed on them by this act, a certificate of which oath shall be filed and preserved in the office of the secretary of state. They shall organize, provided two thirds of the whole number shall be convened, by electing some suitable person as president, whose duty it shall be to preside at the meetings of the board, and sign its official documents; they shall appoint a secretary, who shall keep a fair and true record of the proceedings of the board. They shall keep an office in the city of Columbus, which, together with their books, papers, records, and accounts of every description, shall, at all times, be open to the inspection of any committee of the general assembly, or either branch thereof, and of any commissioner or commissioners, especially appointed for that purpose by the general assembly, and of any person appointed by any one of the branches. They shall procure and furnish each branch with notes for circulation, and decide on the amount to be furnished, from time to time, to each, within the limits, and agreeably to the rules and restrictions prescribed by this act. They may prescribe rules for the settlement of balances between the branches, three fourths of the votes given, according to the rule of voting herein prescribed, concurring. They shall have power, by themselves, or by a committee of one or more members of their own board, or by a special agent appointed by them for that purpose, whenever, and as often as they shall think proper, to visit any branch, inspect its books, records and accounts, and all the evidences of debts due to, and securities held by, such branch; examine and ascertain the amount of money and other property held by such branch; examine, on oath, the president, directors, cashier, and all other officers, agents, clerks or servants of the branch, touching its condition, means and liabilities. They shall have power to require any branch to reduce its circulation, or other liabilities, within such limits as they shall, after full inquiry into its condition, deem necessary to secure from loss, either the dealers with such branch, or the other branches of the State Bank of Ohio. They may require the officers of each branch to make out, under oath, and transmit to the office of said board, at Columbus, statements of the condition thereof, in such form as such board shall prescribe, and as frequently as they shall deem proper; which statements shall be recorded in a book or books to be kept for that purpose. They may appoint an executive committee, of not less than five, of whom the president shall be one, to act in behalf of the board in all such cases, and perform all such duties as shall be prescribed by the bylaws of said board, not inconsistent with this act.

SEC. 15. The president and secretary of the board of control shall each receive such compensation for their services as said board shall allow, which shall be assessed upon the several branches of the State Bank of Ohio, in the ratio of their capital stock. The board may also allow the executive committee

They shall furnish notes for circulation;

...Prescribe rules for the settlement of balances between branches;

And shall have power to visit, personally, or by agents, the various branches, and examine their affairs.

They may appoint an executive committee, &c.

Compensation of members of the board of control, and the expense of printing notes, &c.; how raised.

such compensation as they shall deem just and reasonable, to be paid by the several branches, in the same manner; and the expenses of procuring plates and printing notes of circulation shall be paid by the several branches, in the ratio of the notes of circulation received by each.

The board of control shall be a body corporate until the 1st day of May, 1866.

Sec. 16. The board of control, from the time of its organization, until the first day of May, in the year one thousand eight hundred and sixty six, and thereafter, until the affairs of the several branches of the State Bank of Ohio shall be finally closed up, shall be a body corporate, with succession, and by the name of the State Bank of Ohio, capable of contracting and of prosecuting, and defending in suits or actions at law, or in chancery, as fully as natural persons, and of doing all other acts and things necessary to effect the object contemplated in this act by the formation of said board.

Regulations as to the term of office of members of the board of control; vacancies; and the president of said board.

Sec. 17. Each member of the board of control shall continue in office until the first Monday of February, next after his appointment, and until his successor shall be appointed and qualified; vacancies in the board shall be filled by the branch by which the appointment vacated was made; in voting each member shall be entitled to one vote, and to one additional vote for every fifty thousand dollars of the amount of notes of circulation, to which the branch or branches represented by him, is, or are entitled, at the time of such voting; the president of the board shall hold his office for one year, and until his successor shall be appointed, but may be removed by a resolution of the board; he shall take an oath, faithfully, diligently and impartially to fulfil the duties of his appointment, and not knowingly violate any of the provisions of this act; he may be required to give bond in such sum, and with such securities, as the board shall prescribe; and all vacancies in said appointment shall be filled by the board.

Notes issued by any branch, payable at said branch in gold and silver coin.

Sec. 18. All notes issued by any branch, intended to circulate as money, shall be payable at the branch by which they are issued in gold and silver coin, the lawful currency of the United States, or either, at the option of the branch, on demand; they shall be signed by the president of the board of control, countersigned by the cashier of the branch by which they are issued, made payable to bearer, and shall be negotiable by delivery; all other evidences of debt, issued by any branch, shall be negotiable or transferable in the same manner as if issued by a natural person, and shall be binding on the branch, whether under seal or not, and all such evidences of debt, other than notes of circulation, shall be payable to the order of some person therein named.

How notes to be signed and countersigned, &c.

The proportion of notes in circulation to the capital stock, to be regulated by the following ratio:

Sec. 19. No branch of the State Bank of Ohio shall, at any time, have in circulation notes in the similitude of bank notes, to an amount bearing a greater proportion to the capital stock of said branch, actually paid in, and at the time remaining undiminished by losses or withdrawal, exclusive of its portion of the safety fund, than the proportion hereinafter specified, that is to say:

On the first hundred thousand dollars, or any lesser amount of its capital, not more than twice the amount of such capital.

On the second hundred thousand dollars, or part thereof, not more than once and a half of the amount of such capital, over one hundred thousand.

On the third hundred thousand dollars, or part thereof, not more than once and a quarter the amount of such capital, over two hundred thousand.

On the fourth hundred thousand dollars, or part thereof, not more than once the amount of such capital, over three hundred thousand; and,

On any amount of capital, over four hundred thousand dollars, not more than three fourths the amount of such capital, over four hundred thousand, and on its portion of the safety fund an amount equal thereto.

SEC. 20. Notes designed for circulation shall be delivered by the board of control, to each branch on a written order, signed by the president, and a majority of the directors of such branch; such orders shall be carefully preserved by said board in their office; an accurate account of all the notes so delivered, the amount of the notes of each denomination so delivered, and the date of such delivery, shall be kept by the board of control, in a book or books, to be provided and kept in their office at Columbus; all notes so worn, defaced or mutilated as to be unfit for circulation, shall be returned by the branch by which they were issued, to the board of control, and an equal amount of new notes received therefor; all such notes so returned by a branch shall be credited, and all new ones delivered in their stead shall be charged to such branch, on the books of said board; and the notes so returned shall be burned to ashes, in the presence of the president, and at least two of the members of said board.

How notes, designed for circulation, to be delivered, &c.

Regulations as to defaced or mutilated notes.

SEC. 21. Before the board of control shall deliver to any branch, notes for circulation, they shall require such branch to pay over or deposit to the credit of said board, as said board shall order, either in money or in certificates of the stocks of this state, or of the United States, at their current value in the city of New York, but in no instance above their par value, an amount equal to ten per centum on the amount of the notes for circulation, which shall be delivered to such branch. And so from time to time, as any branch may, by the paying in of an additional amount on its capital stock, or by not having received the amount of notes for circulation to which it was previously entitled, be authorized to demand an additional amount of notes for circulation, such branch shall deposit with the board of control ten per centum on the amount of notes so required, and the stocks and money so deposited shall be denominated the "safety fund," and shall be invested as hereinafter prescribed, and held by the board of control, as the property of said board, in trust for the benefit of the several branches of the State Bank of Ohio, and as a fund for the redemption of the

Every branch required to pay over, or deposit to the credit of the board of control, 10 per cent. on the amount of notes given for circulation.

Stocks and money so paid and deposited, denominated the "safety fund."

notes of circulation of any one or more of said branches that may fail to redeem its notes, to be applied to that purpose in the manner pointed out by this act.

In what manner each branch may invest its portion of the safety fund.

SEC. 22. All money so deposited or paid to the board of control on account of the safety fund, by any branch, shall be under the direction of said board, invested by such branch, either in the stocks of the state, or of the United States, or in bonds secured by mortgages on unincumbered real estate situated in the county where such branch is located, or in adjoining counties, of at least twice the value in each case of the amount secured thereby, exclusive of buildings or other fixtures subject to be destroyed by fire, by floods or accidental occurrences, or of timber, mines or minerals, subject to waste; which bond shall be made payable on demand to the State Bank of Ohio, and shall bear such rate of interest as shall be agreed on by the parties, not exceeding seven per centum per annum, payable semiannually. Each branch shall be entitled to receive the interest accruing on the stocks or bonds in which its portion of the safety fund shall have been invested; and in case of the insolvency of any branch, the stocks and bonds in which the money of such branch shall have been invested as aforesaid, if the proceeds of such stock and bonds shall be sufficient to redeem its outstanding notes of circulation, shall as far as practicable, be first converted into money, and applied to that purpose, before any part of the safety fund belonging to other branches shall be so applied.

To what amount stockholders and directors may be liable, either as debtors or sureties.

SEC. 23. The stockholders, collectively, of any branch shall at no time, be liable to such branch, either as principal debtors, or sureties, or both, to an amount exceeding one third part of the capital stock of such branch then actually paid in and remaining as capital stock. Nor shall the directors, collectively, be so liable to an amount exceeding one fourth part of the stock actually paid in, standing in their names, and of which they are collectively the bona fide owners in their own right; provided that such directors may be further permitted to become liable, as drawers or indorsers of bona fide foreign bills of exchange, drawn in this state, and payable at any place out of this state, to an amount, when added to their other liabilities, not exceeding one third of the capital stock actually paid in, and standing in the names of such directors; and the stockholders may become liable, in like manner, in such sum as, when added to their other liabilities, will not exceed one half of the capital stock of any such branch actually paid in.

If any branch refuses to redeem its notes, it shall be deemed insolvent, &c.

SEC. 24. If any branch of the State Bank of Ohio shall refuse to pay its notes of circulation, or any of them, in gold or silver coin, the lawful currency of the United States, on which payment shall be lawfully demanded at its banking house, or customary place of doing banking business, during usual banking hours, such branch shall be deemed to have committed an act of insolvency, and thereupon all its property, credits, securities, liens and assets of every description, shall

forthwith vest in, and be the property, credits, securities, liens and assets, of the board of control, for the uses and purposes declared in this act.

SEC. 25. The board of control, on receiving information that any branch of the State Bank of Ohio has committed an act of insolvency, shall forthwith appoint a committee of one or more of its members, who shall make immediate inquiry into the truth of such information, and report thereon to the board; and if the board shall be satisfied, from the report of the committee, that such branch has suspended the payment of its notes in gold and silver, they shall forthwith appoint a suitable receiver or receivers, who shall take immediate possession of the books, records, money, choses in action, and property of said branch of every description, and hold the same for the joint use and benefit of the other branches of the State Bank of Ohio, and the creditors of said failing branch; and said board of control shall immediately provide money, and place the same in such solvent branch or branches, as may be most convenient for the purpose of redeeming the notes of such failing branch, and shall give public notice thereof in some newspaper, printed in the place where such failing branch is located, and also in some newspaper of general circulation published at Columbus.

The board of control, upon the insolvency of any branch, to appoint a committee of examination; and, if satisfied of the fact, to appoint a receiver or receivers, &c.

SEC. 26. Each solvent branch shall contribute, in the ratio of the circulation to which it is entitled, to the sum necessary for redeeming the notes of the failing branch, as provided in the preceding section, on the requisition of the board of control, and may be remunerated for such contribution, from the safety fund, as soon as money sufficient can be raised from that fund, by a sale or hypothecation of the stock, funds, or other securities belonging thereto.

Each solvent branch to contribute for the redemption of the notes of a failing branch.

SEC. 27. The receiver or receivers, appointed as provided in the twenty fifth section, shall be required to give bond in such sum, and with such securities, as the board of control shall judge sufficient; and, under the direction of the said board, shall proceed to settle up its affairs, and convert its assets into money; the money so made shall be applied—

Receiver or receivers to give bond.

First: To reimburse all moneys which shall have been advanced by the several branches for the redemption of the notes and bills of the insolvent branch, and which may not have been previously reimbursed from the safety fund.

In what manner money made by receivers to be applied.

Second: To reimburse all moneys advanced from the safety fund, other than moneys derived from that portion of the safety fund furnished by the failing branch.

Third: To the payment and discharge of all the remaining liabilities of such branch; and—

Fourth: The residue shall be divided among the stockholders of the failing branch, in proportion to the stock by them respectively held.

SEC. 28. If any branch, against which the board of control shall have instituted proceedings, on account of any supposed

If any branch denies the fact or charges of insol-

vency, it may apply to any court of competent jurisdiction for a writ of injunction, &c.

act of insolvency, as prescribed by the twenty fifth section of this act, shall deny having committed such act of insolvency, such company may apply to any court of competent jurisdiction for a writ of injunction to said board of control to suspend all further proceedings against such branch, as an insolvent company; and such court, after citing said board of control to appear and show cause why such writ should not be granted, and after the finding of a jury that such branch has, at all times continued, and still continues to redeem, in gold and silver coin, its notes of circulation, shall make an order, enjoining the board of control, from all further proceedings against such branch, on account of the supposed act of insolvency, on which such proceedings were instituted, and thereupon all the property and assets of such branch shall be restored to its directors.

The board of control may be compelled, by holders of notes or creditors, upon application to the court, to comply with the provisions of preceding sections.

✓ SEC. 29. If the board of control shall, in any case, fail to proceed in the manner prescribed in the foregoing sections of this act, and providing for the payment of the outstanding notes of circulation, and in closing the affairs of any branch that shall have committed an act of insolvency, the holder of any of its notes of circulation, or other creditor of such branch may, in case payment of such notes of circulation or other claim, has been refused when lawfully demanded, and remains unpaid, apply to any court of competent jurisdiction, for its writ, commanding the board of control so to proceed; and it shall be the duty of such court, after citing such board to appear and show cause why such writ should not issue, and upon the finding of a jury that such act of insolvency has been committed, to issue their writ, commanding said board of control forthwith to proceed, in the manner pointed out in the preceding sections of this act, to provide for the payment of the outstanding notes of such branch, close up its affairs, and make application of its assets.

IN RELATION TO INDEPENDENT BANKING COMPANIES.

Independent banking companies to deposit with treasurer of state, certificates of funded debt of this state, or of the United States equal in amount to the amount of their capital stock.

SEC. 30. Each company that shall have elected to carry on its business as an independent banking company, and shall have complied with the requirements of this act, preliminary to the commencement of banking business, shall, before it shall commence such business, and before it shall be held to have acquired corporate powers, deposit with and transfer to the treasurer of state certificates of the funded debt of this state, or of the United States, at least equal in amount to the amount of its capital stock, at such time paid in; and, from time to time, as an additional installment, or portion of its capital stock, shall be paid in, additional certificates of the funded debts above specified, at least equal in amount to the amount of such additional payments of capital stock, shall, within thirty days after such payment, be deposited with and transferred to the treasurer of state, but no such certificate of funded debt shall be received

by said treasurer at a rate or price above the average selling price of such certificates at the New York stock exchange, for the four weeks next preceding the time of the receipt thereof by the treasurer, nor shall any certificate of the funded debt of this state be received at any rate above its par value, exclusive of the unpaid interest that may have accrued thereon; and if such company shall fail to make deposits and transfers of stock, as in this section required, all its franchises and powers derived from this act, except such as may be necessary to settle up its affairs, shall immediately cease and determine.

SEC. 31. The treasurer of state shall deliver, from time to time as he may be prepared so to do, to any independent banking company that may have entitled itself thereto, on the written order of the president and a majority of its directors, notes for circulation to any amount not exceeding the value of the certificates of funded debt deposited with, and transferred to him by such company, as prescribed by the preceding section; but at no time shall the total amount of such notes, delivered to any such company, exceed three times the amount at such time actually paid in on its capital stock, and remaining as capital stock, undiminished by losses or otherwise.

Treasurer of state to deliver to independent banking companies their notes for circulation, &c.

SEC. 32. In order to furnish suitable notes for circulation to such independent banking companies, the treasurer of state is hereby authorized and required to cause to be engraved and printed, in the best manner to guard against counterfeiting, such quantity of circulating notes in the similitude of bank notes, in blank, of the several denominations provided for in this act, as he may from time to time deem necessary to furnish to such independent banking companies, according to the provisions hereinafter set forth; which notes shall be countersigned, numbered, and registered in proper books, to be provided and kept for that purpose, in the office of said treasurer, under his direction, by such person or persons as he may appoint, so that each denomination of such circulating notes shall bear the uniform signature of one of such registers; and all the notes of each separate denomination shall bear the same device, and bear a general similitude; and the notes or bills to be so countersigned shall have stamped or printed on their face the words, "secured by the pledge of stock."

Authority given to the treasurer of state, to cause to be engraved, and printed, circulating notes.

SEC. 33. The plates, dies, and materials to be procured by the treasurer of state, for the printing and making the circulating notes, provided for in the thirty second section of this act, shall remain in the custody of said treasurer, and under his direction; and the expense necessarily incurred by him, in executing the provisions of this act, shall be audited and settled by the auditor of state, and paid out of any moneys in the treasury, not otherwise appropriated; and, for the purpose of reimbursing the same to the treasury, the said treasurer is hereby authorized and required to charge against, and receive from, each company receiving such circulating notes, such

The plates, dies and materials for printing and making circulating notes, to be in the care of the treasurer;

How expense paid.

rate per centum thereon as may be sufficient for that purpose, and shall, from time to time, equalize said expenses among the companies to whom such circulating notes may be furnished.

When a company may issue and circulate its notes as money.

SEC. 34. After any such independent banking company shall have caused to be executed and signed, by the president and cashier thereof, the circulating notes received from the treasurer of state, in such manner as may be requisite to make them obligatory notes, payable on demand, at its place of business, such company is hereby authorized to issue and circulate the same as money.

Mutilated circulating notes to be destroyed.

SEC. 35. It shall be the duty of the treasurer of state to receive mutilated circulating notes, issued by him to any of such independent banking companies, and to deliver in place thereof other circulating notes to an equal amount; and the said mutilated notes, after a memorandum shall have been entered in the proper book or books, shall be burned to ashes by the said treasurer, in the presence of the secretary of state and the officer or agent of said company by whom the said notes shall have been delivered to the said treasurer, and a certificate of said burning, signed by said treasurer, shall be made in the books of the register, and a duplicate thereof given to said agent.

Regulations as to the interest or dividend upon stock deposited and pledged.

SEC. 36. The treasurer of state shall give to any company, by whom any stock shall have been deposited, according to the provisions of the thirtieth section of this act, powers of attorney to receive the interest or dividends thereon, which interest or dividend such company may receive and apply to its own use; but such powers of attorney shall become void upon any such company failing to redeem the circulating notes issued by such company; provided, however, that whenever the price of any of the stocks pledged for the security or redemption of the circulating notes issued by any such company, as aforesaid, shall be at the stock exchange, in the city of New York, for four consecutive weeks, at a price or rate less than the value of which such stock shall have been estimated, when so deposited and pledged, the treasurer shall receive and retain the interest or dividend on such depreciated stock, so pledged, until the interest so received, when added to the market value of stocks so pledged, to be ascertained as in this section before provided, will be equal in amount to the amount for which such stocks were pledged, and he shall deposit the amount so received with any solvent banking company in this state, at such rate of interest as shall be agreed upon, or, at the option of the company by which such stocks were deposited, invest such interest or dividends in any of the stocks by this act authorized to be pledged, in the name of the treasurer of state, in trust for the banking company by whom the stocks, on which such interest or dividends may have accrued, shall have been pledged, and whenever the price of such depreciated stocks, at the New York stock exchange, shall rise to the price at which they were pledged by the company, and so remain for four

consecutive weeks, such investment shall be assigned to such company, and all accruing interest on such pledged stock shall thereafter be paid to such company.

SEC. 37. The stocks transferred to the treasurer of state, by an independent banking company, for the security of its circulating notes, shall be held by him exclusively for that purpose, until such notes shall be redeemed, except as hereinafter provided.

Stocks given as security held exclusively by the treasurer.

SEC. 38. If any such independent banking company shall fail to redeem, in gold or silver coin, any of its circulating notes, issued in pursuance of the provisions of this act, when payment thereof shall be lawfully demanded, during the usual hours of business, at the office of such company, the holder of such note or notes may cause one or more thereof to be protested by a notary public, who shall, on protesting the same, forthwith forward notice of such protest to the treasurer of state, and after such protest suffered, it shall not be lawful for the company thus suffering protest, to pay out any of its notes, discount any notes or bills, or otherwise engage in the business of banking, except to receive and safely keep moneys belonging to it, and to deliver special deposits; provided, however, that if satisfactory proof be produced to such notary public that the payment of any such note or notes is restrained or delayed by order of any court of competent jurisdiction, such notary public shall not protest the same; where the holder of such notes shall cause more than one to be protested on the same day, he shall not receive pay for more than one such protest.

What to be done when any independent banking company fails to redeem its circulating notes.

SEC. 39. In case any such independent banking company shall fail to pay, and redeem its circulating notes on demand, in gold or silver coin, as specified in the next preceding section of this act, the treasurer of state shall, within thirty days after he shall have received notice of such failure, cause the stocks pledged by such company, or so much thereof as may be necessary to redeem the outstanding circulating notes of such company, to be sold either at the stock exchange in the city of New York, after giving notice of such sale to such company, and also advertising the time and place of sale, with a pertinent description of the stocks to be offered for sale, in two or more newspapers published in the city of New York, for not less than ten consecutive days before the day of sale, or at the state treasury in the city of Columbus, giving notice to said company, and also advertising, in one or more newspapers published in the city of Columbus, and one or more newspapers in general circulation in the county where the office of such failing company is situated; which advertisements shall contain the same particulars as are required herein, where sales are to be made in the city of New York; and out of the proceeds of such sale the treasurer shall pay, in a ratable proportion, the circulating notes of such company, of which due notice shall be given, calling upon the holders of such notes to present them for such payment, at the state treasury; provided that if any

When any independent banking company fails to pay or redeem, the treasurer of state to make sale of stocks pledged.

How proceeds of sale to be distributed.

of the circulating notes of such failing company shall not be presented, for redemption, at the state treasury, until after the term of two years from the date of the first publication of the notice to the holders of such notes, to present the same at the state treasury, the treasurer may pay, ratably, to the holders of the notes previously presented, if such notes shall not have been previously paid in full, whatever of the proceeds of such sale, remaining in his hands, may be needed to fully discharge such notes so presented.

Treasurer with the advice of the secretary and auditor, may hypothecate or sell at private sale deposited stocks.

SEC. 40. The treasurer of state may, if he shall deem that the interests of the noteholders of any insolvent banking company will be best promoted thereby, with the advice of the auditor and secretary of state, hypothecate, or sell at private sale, any of the stocks transferred to, and deposited with him, by such company, to any other independent banking company, or to any individual person or firm, and receive therefor, either money, or the circulating notes of such failing company; provided that no such stock shall be sold, by private sale, at less than the par value thereof, nor at less than its selling price, at the New York stock exchange, at the date of the last received information, nor shall any such stock be sold on credit.

How a special agent to be appointed after the insolvency of an independent banking company.

SEC. 41. On receiving notice that any such independent banking company shall have committed an act of insolvency, as hereinbefore defined, the treasurer of state, the secretary of state, and the auditor of state, or a majority of them, shall appoint a special agent, who shall immediately proceed to ascertain whether such company has refused to pay its notes in gold and silver coin, when lawfully demanded, and report to the said treasurer, secretary and auditor, the facts so ascertained; and if, from the report so made, said treasurer, secretary and auditor, or a majority of them, shall be satisfied that such company has suspended the payment of its circulating notes, when lawfully demanded, in gold and silver coin, they shall forthwith appoint a receiver or receivers, and require of him or them such bond and security as they shall deem proper, who shall proceed to take possession of the books, records and assets, of every description, of such company; collect all debts, dues and other claims, belonging to such company; settle, and, with the approbation of an agent, to be appointed by the stockholders for the protection of their interests, compound for all bad and doubtful debts; sell all the real and personal property of said company and to pay over all moneys so made, to the treasurer of state; and the treasurer of state shall cause notice to be given, by advertisement, in one or more newspapers published in the city of Columbus, and also in one or more newspapers, in general circulation, in the county where the office of such insolvent company shall be situated, for six consecutive months, calling on all persons who may have claims against such company, to make legal proof thereof; and, after the end of one year from the first publication of such notice, the treasurer, after full provision shall have been made for redeeming the cir-

culating notes of such company, shall make a ratable dividend of the moneys so paid over to him by such receiver or receivers, inclusive of moneys received by him on sales of stock transferred to, and deposited with him by such company, on all such claims as may have been so proved; and from time to time, as the proceeds of the assets of said company shall be paid over to him, the said treasurer shall make further dividends, as aforesaid, on all claims previously proved; and the remainder, if any thing, shall be paid over to the stockholders of the company, or their legal representatives, in proportion to the stock by them severally held; provided, however, that if any independent banking company, against which proceedings have been instituted, as prescribed in this section, on account of any supposed act of insolvency, shall deny having committed such act, such company may apply to any court of competent jurisdiction to enjoin further proceedings in the premises; and such court, after citing the treasurer, secretary and auditor of state, to show cause why further proceedings should not be enjoined, and, after the finding of a jury, that such company has not suspended the payment of its notes, when legally presented, in gold and silver coin, shall make an order, enjoining said treasurer, auditor and secretary of state, and any receiver or receivers appointed by them, from all further proceedings on account of such supposed act of insolvency.

How proceeds of an insolvent bank disposed of.

Proceedings may be enjoined and the fact of insolvency tried;

SEC. 42. If the original capital stock of any of such independent banking companies shall, in any manner, be diminished, or any portion thereof be withdrawn for any purpose whatever, while any debts or demands against such company remain unsatisfied, no dividends shall, thereafter, be made on the shares of the capital stock of such company, until the original amount of the capital stock shall be restored, either by contribution of the shareholders, or out of the profits of the business of such company; and in case any dividend shall be made while the capital stock shall remain so diminished or withdrawn, it shall be the duty of any court, having competent jurisdiction, to issue the necessary orders and decrees for closing the affairs of such company, and dividing its effects among its creditors and shareholders, as in this act provided.

No dividends to be made on shares whilst any debts or demands remain unsatisfied.

SEC. 43. All fees for protesting the notes issued by any such independent banking company, shall be paid by the person procuring the protest to be made, and such company shall be liable therefor; but no part of the stocks pledged by such company to the treasurer, shall be applied to the payment of such fees; and all expenses incurred in conducting the sale of any such pledged stocks, and advertisements thereof, shall be paid out of the proceeds of such sales.

Fees for protesting, how paid.

SEC. 44. The stockholders, collectively, of any independent banking company shall, at no time, be liable to such company, either as principal debtors or sureties, or both, to an amount greater than three fifths of the amount of capital stock actually paid in, and remaining undiminished, by losses or other-

To what amount stockholders may, collectively, be liable.

Independent
banking compa-
nies to be visited
and examined,
once, annually.

wise; nor shall the directors be so liable, except to such amount, and in such manner, as shall be prescribed by the bylaws of such company, adopted by its stockholders, to regulate such liabilities; and it shall be the duty of the auditor, treasurer and secretary of state, or a majority of them, as often as once in each year, to appoint some suitable person, in the vicinity of each independent banking company, who shall not be a stockholder in any bank of this state, who shall have power to make a thorough examination into all the affairs of the bank which he may be appointed to examine, and, in so doing, to examine any of the officers and agents of such bank on oath; and such agent shall make a detailed report of the condition of such bank to the auditor of state; and the banking companies, deriving their powers and privileges from this act, shall not be subject to any other visitorial powers than such as are authorized by this act, except such as are vested in the several courts of law and chancery; and every agent appointed, as in this section provided, shall receive, for his services, at the rate of two dollars for each day by him employed in such examination, and two dollars for every twenty five miles he shall necessarily travel in the performance of his duty, which shall be paid by the banking company by him examined.

When and under what conditions certificates of funded debt may be retransferred to independent banking companies.

SEC. 45. Whenever any independent banking company, being desirous of diminishing the amount of its circulating notes, shall deliver to the treasurer of state any portion of such notes, not less in amount at any one time than five thousand dollars, to be destroyed, the treasurer shall destroy the same, as prescribed in section thirty five, and shall, thereupon, retransfer and deliver to such company certificates of funded debt deposited with him by such company to an amount equal to the amount of notes so delivered up; provided that the amount of such certificates remaining with the treasurer shall not, thereby, be reduced below the amount of the capital stock of such company at that time paid in, nor in any case below the sum of fifty thousand dollars, nor in value, estimating the same at their then current price in the city of New York, below the amount of circulating notes still retained by such company; nor shall the treasurer be required to retransfer such certificates in fractional sums of less than one thousand dollars; and whenever any such company, being desirous of relinquishing its banking business, shall have paid at least ninety per centum of the maximum amount of its circulating notes, and shall have delivered the same to the treasurer of state, to be destroyed, and shall have provided means and given security, to the satisfaction of the treasurer, secretary, and auditor of state, for the redemption of its outstanding notes of circulation, at the place where the office of such company was established, and shall have given notice thereof by advertisement, for six consecutive months, in two newspapers of general circulation, published at Columbus, and at least one published in the city, town, or village where the office of such company is located,

it shall be lawful for the treasurer of state to retransfer and deliver to such company, all the certificates of funded debt, previously pledged with him by such company, and, thereupon, all the corporate powers of such company, except such as shall be necessary to close up its affairs, shall cease.

GENERAL PROVISIONS.

SEC. 46. The capital stock of each banking company shall be divided into shares of one hundred dollars each, and shall be assignable on the books of the company, in such manner as its bylaws shall prescribe; but no shareholder shall have power to sell or transfer any shares, held in his own right, so long as he shall be liable, either as principal, debtor, surety, or otherwise, to the company, for any debt which shall have become due, and remains unpaid; nor in such case shall such shareholder be entitled to receive any dividend, interest, or profit on such shares so long as such liabilities shall continue; but all such dividends, interests, or profits, shall be retained by the company, and applied to the discharge of such liabilities; and no stock shall be transferred, without the consent of a majority of the directors, while the holder thereof is indebted to the company.

100 dollars the amount of each share.

No shareholder to receive dividends or profits so long as he may be in debt to any company.

SEC. 47. No banking company shall take, as security, for any loan or discount, a lien upon any part of its capital stock, but the same security, both in kind and amount, shall be required of shareholders as of persons not shareholders; and no banking company shall be the holder or purchaser of any portion of its capital stock, or of the capital stock of any other incorporated company, unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, on security, which at the time was deemed adequate to insure the payment of such debt, independent of any lien upon such stock, or in case of forfeitures of stock for the nonpayment of installments due thereon, as provided in the ninth section; and stock so purchased shall in no case be held by the company, so purchasing, for a longer period of time than six months, if the same can be sold for what the stock cost, at par.

No banking company shall receive as security, a lien upon any part of its capital stock, nor make any purchase of stock, except under conditions specified.

SEC. 48. In all elections of directors, and in deciding all questions at meetings of stockholders, each share shall entitle the owner thereof to one vote. Stockholders may vote by proxies duly authorized, in writing; but no officer, clerk, teller or book keeper of the company shall act as proxy; and no stockholder, whose liability to the company is past due and unpaid, shall be allowed to vote.

Stockholders entitled to one vote for each share.

SEC. 49. The affairs of every company, formed and organized to carry on the business of banking under the provisions of this act, shall be managed by not less than five, nor more than nine directors. Every director shall, during his whole term of service, be a citizen of the United States, and a resident of this state. At least three fourths of the directors shall have resided in this state two years next previous to their

The number and qualifications of directors.

election as directors; each director shall own in his own name and right, at least one per centum of the capital stock of the company, up to two hundred thousand dollars, and the half of one per centum on its capital, over two hundred thousand dollars. The directors of each banking company, collectively, shall own at least one tenth of its capital stock. Each director shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of the company, and not knowingly violate, or willingly permit to be violated any of the provisions of this act—that he is the bona fide owner, in his own right, of the stock, standing in his name on the books of the company, and that the same is not hypothecated, or in any way pledged as security, for any loan obtained, or debt owing; which oath, subscribed by himself, and certified by the magistrate before whom it is taken, shall be filed and carefully preserved in the office of the recorder of the county in which the banking company is located.

The time for which directors may be elected; how vacancies may occur and now filled.

SEC. 50. The directors of any banking company first elected, shall hold their places until the first Monday in January, next thereafter, and until their successors shall be elected and qualified. All subsequent elections shall be held annually, on the first Monday of January, and the directors so elected, shall hold their places for one year, and until their successors are elected and qualified. But any director, removing from the state or ceasing to be the owner of the requisite amount of stock, shall thereby vacate his place. Any vacancy in the board shall be filled by appointment by the remaining directors. The director so appointed shall hold his place until the next annual election; and if, from any cause, an election of directors shall not be made at the time appointed, the company shall not, for that cause, be dissolved, but an election may be held on any subsequent day, thirty days' notice thereof having been given in a newspaper printed in the county where the company is located.

Banking companies body corporate until the 1st of May 1866.

SEC. 51. Every banking company, authorized to carry on the business of banking, under the provisions of this act, whether as a branch of the State Bank of Ohio, or as an independent banking company, shall be held and adjudged to be a body corporate, with succession until the first day of May, in the year one thousand eight hundred and sixty six, and thereafter, until its affairs shall be closed, and by its corporate name shall be competent to contract, prosecute and defend suits and actions of every description as fully as natural persons; and process against such company may be served upon its president or cashier, or by leaving a copy thereof at its usual place of business during usual business hours. Each of said banking companies shall, until the first day of May, in the year one thousand eight hundred and sixty six, if so long it shall comply with the provisions of this act, have power to loan money, buy, sell and discount bills of exchange, notes, and all other written evidences of debt, except such as it shall be prohibited by

Their powers and privileges.

this act from buying, selling, or discounting—receive deposits—buy and sell gold and silver coin and bullion—collect and pay over money, and transact all other business properly appertaining to banking, subject, however, to the provisions and restrictions contained in this act; may acquire, hold and convey such real estate as may be necessary to the convenient transaction of its business, and no more; but may, however, acquire title to any real estate pledged to secure any debt previously contracted, or purchased on an execution or order of sale, to satisfy any judgment or decree in its favor, or which shall have been conveyed to it, in payment of any previous debt; but shall not hold any real estate, so acquired, longer than is necessary to avoid a loss of any part of the debt, interests and costs, for the collection or security of which it was acquired; but at any time before selling the same, upon being tendered by the last preceding owner, or his legal representatives, such sum as shall be necessary to save such company from loss of any part of the debt, interest, taxes, costs and other necessary charges for the collection or security of which such real estate was acquired, such company shall release to such owner, his legal representatives or assigns, all its right title and interest therein.

SEC. 52. Notes of one dollar, two dollars, three dollars, five dollars, ten dollars, twenty dollars, fifty dollars, and one hundred dollars each, and no note of any other denomination, may be issued by any banking company deriving any of its powers or privileges from this act. Of the notes issued by any such banking company, not more than ten per centum of the amount shall be in notes of one dollar each; not more than five per centum in notes of two dollars each; not more than ten per centum in notes of three dollars each; not more than twenty per centum shall be in notes of all denominations under five dollars; not more than fifty per centum in notes of all denominations under ten dollars.

The denominations of notes to be issued and the amount of each denomination.

SEC. 53. No banking company, deriving any of its powers or privileges from this act, shall at any time issue, or have in circulation, any note, draft, bill of exchange, acceptance, certificate of deposit, or other evidence of debt, which, from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are by this act described, and which such companies are expressly authorized to issue for the purpose of being circulated as money.

Nothing to be circulated as money, except such notes as have been described.

SEC. 54. Each independent banking company shall receive at par, at the office or banking house of such company, in payment for debts due for notes of hand, bills of exchange, or other evidences of debt, discounted or purchased by, or belonging to, such company, the notes of circulation issued by any other independent banking company, authorized to issue such notes by this act, which shall, at the time, redeem its notes in gold and silver coin; and every branch bank of the

Each company to redeem the notes of all other independent companies at par.

Each branch of State Bank to receive, at par, the notes of other branches.

State Bank of Ohio shall receive at par, at the office or banking house of such company, in payment of debts due for notes of hand, bills of exchange, or other evidences of debt discounted or purchased by, or belonging to, such branch bank, the notes of circulation issued by any other branch of the State Bank of Ohio.

Each banking company, at all times, shall have on hand, in gold and silver, or their equivalent, at least 30 per cent. of the amount of its outstanding notes, &c.

Sec. 55. Each banking company shall, at all times, have on hand, in gold and silver coin, or their equivalent, one half at least of which shall be in gold and silver coin in its vault, an amount equal to at least thirty per centum of the amount of its outstanding notes of circulation; and whenever the amount of its outstanding notes of circulation shall exceed the above named proportion, for the space of twelve days, or whenever the said gold and silver coin, or their equivalent, shall at any time fall below the amount of twenty per centum of its circulation, no more of its notes shall be paid out, or otherwise put in circulation, by such banking company, nor shall such company increase its liabilities by making any new loans or discounts other than discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required proportion between its outstanding notes of circulation and gold silver coin, or their equivalent on hand, shall be restored. Actual deposits with any solvent bank or banker of established credit in the cities of New York, Boston, Philadelphia, or Baltimore, subject to be drawn against at sight, payable in gold and silver coin, shall be deemed equivalent to gold and silver coin, wherever these terms are used in this act.

To what extent banks may be liable.

Sec. 56. No banking company deriving any of its powers or privileges from this act, shall at any time be indebted, or in any way liable, to an amount exceeding, if a branch of the State Bank of Ohio, two thirds, or, if an independent banking company, the whole amount of its capital stock at such time actually paid in, and remaining as capital stock, undiminished by losses or otherwise, except on the following accounts, that is to say:

First—On account of its notes of circulation;

Second—On account of moneys deposited with, or collected by, such company;

Third—On account of bills of exchange or drafts drawn against money actually in deposit to the credit of, or due to, such company;

Fourth—Liabilities to its stockholders on account of money paid in, on capital stock and dividends thereon.

Prohibitions upon banking companies.

Sec. 57. No banking company shall either directly or indirectly pledge, hypothecate, or exchange any of its notes of circulation for the purpose of procuring money, to be paid in on its capital stock, or to be used in its ordinary banking operations, or for the purpose of purchasing certificates of state stock, to be deposited with the treasurer of state, or with the board of control; nor shall any banking company apply, or permit to be applied, hypothecated, or pledged any portion of

its capital stock to the purchase of certificates of state stock, to be deposited with the treasurer of state as collateral security for the redemption of its notes of circulation.

SEC. 58. No banking company shall, during the time it shall continue its operations as a bank, withdraw, or permit to be withdrawn, either in form of dividends, loans to stockholders for a longer period of time than six months, or in any other manner, any portion of its capital stock; and if losses shall at any time have been sustained by any banking company equal to or exceeding its undivided profits then on hand, no dividend shall be made, and no dividend shall ever be made by any banking company while it shall continue its banking operations, to an amount greater than its net profits then on hand, deducting therefrom its losses, bad and suspended debts; and all debts due to a banking company, on which interest is past due and unpaid for a period of six months, unless the same shall be well secured, and shall be in process of collection, shall be considered bad or suspended debts within the meaning of this act.

Loans to stockholders not to exceed 6 months—and dividends always to be made upon the net profits, &c.

SEC. 59. The directors of each banking company shall, semiannually, on the first Monday in May and November, declare a dividend of so much of the net profits of the company as they shall judge expedient; and, on each dividend day the cashier shall make, and verify by his oath, a full, clear, and accurate statement of the condition of the company, as it shall be on that day, after declaring the dividend; and similar statements shall also be made on the first Monday of February and August, in each year; which statement shall contain—

When dividends to be declared.

First—the amount of the capital stock actually paid in, and then remaining, as the capital stock of the company;

Second—The amount of the bills or notes of the company, then in circulation, specifying the amount of each denomination;

Statements to be made twice, annually, containing the following particulars.

Third—The greatest amount in circulation at any time, since the making of the last previous statement, as shall have been exhibited by the weekly statements of the cashier, specifying the times when the same occurred;

Fourth—The amount of balances and debts of every kind due to the branches of the State Bank of Ohio, the amount due to other banking companies of the state, and the amount due to banks not of this state;

Fifth—The amount due to depositors;

Sixth—The total amount of debts and liabilities, of every description, and the greatest amount since the making of the last previous statement, specifying the time when the same occurred;

Seventh—The total amount of dividends declared on the day of making the statement;

Eighth—The amount of gold and silver coin and bullion, belonging to such company, and in possession, at the time of making the statement, designating the amount of each;

Ninth—The amount subject to be drawn at sight, in gold and silver, then remaining on deposit with solvent specie paying banks, or bankers in the cities of New York, Philadelphia, Boston and Baltimore;

Tenth—The amount then on hand, of bills or notes, issued by branches of the State Bank of Ohio, the amount issued by other banking companies of this state, and the amount issued by banks not of this state;

Eleventh—The amount of balances due from branches of the State Bank of Ohio, the amount due from other banking companies of this state, and the amount due from banks not of this state, excluding, in the latter case, deposits in the cities of New York, Philadelphia, Boston and Baltimore, subject to sight drafts, payable in specie;

Twelfth—The amount on hand of bills, bonds, notes, and other evidences of debt, discounted or purchased by the company, specifying particularly the amount of suspended debt, the amount considered bad, the amount considered doubtful, and the amount in suit or judgment;

Thirteenth—The value of the real and personal property, held for the convenience of the company, specifying the amount of each;

Fourteenth—The amount of real estate taken in payment of debts due the company;

Fifteenth—The amount of the undivided profits of the company;

Sixteenth—The total amount of the liabilities to the company by the directors thereof, collectively, specifying the gross amount of such liabilities as principal debtors, and the gross amount as indorsers or sureties;

Seventeenth—The total amount of liabilities to the company of the stockholders thereof, collectively, specifying the gross amount of such liabilities as principal debtors, and the gross amount as indorsers or sureties; which statement shall be forthwith transmitted to the auditor of state.

Banking companies, on the days designated for declaring dividends, to set off to the state six per cent. on its profits, &c.

SEC. 60. Each banking company, organized under this act, or accepting thereof, and complying with its provisions, shall, semiannually, on the days designated in the fifty ninth section for declaring dividends, set off to the state six per centum on the profits, deducting therefrom the expenses and ascertained losses of the company, for the six months next preceding; which sum or amount, so set off, shall be in lieu of all taxes to which such company, or the stockholders thereof, on account of stock owned therein, would otherwise be subject; and the cashier shall, within ten days thereafter, inform the auditor of state of the amount so set off, and shall pay the same to the treasurer of state, on the order of said auditor; but in computing the profits of the company, for the purposes aforesaid, the interest received on the certificates of the funded debt of this state, held by the company, or deposited with, and transferred to the treasurer of state, or to the board of control by such company, shall not be taken into the account.

SEC. 61. Every banking company, deriving any of its powers and privileges from this act, may take, reserve, receive and charge, on any loan or discount made, or upon any note or bill of exchange, or other evidence of debt, at the rate of six per centum per annum on the amount of any such note, bill of exchange, or other evidence of debt, so discounted, and no more; provided, however, that interest may be reserved, or taken in advance, at the time of making the loan or discount, according to the usual rules of banking, or as calculated in Rowlett's tables; and the knowingly taking, reserving or charging, on any debt or demand payable to such company, of a rate of interest greater than that allowed by this section, shall be held and adjudged a forfeiture of such debt or demand; but the purchase, discount or sale, of a bill of exchange payable at another place than the place of such purchase, discount or sale, at the current discount or premium, shall not be considered a taking, reserving or receiving interest; provided no agreement or understanding shall be made that the same shall be paid at any other place than that at which it is made payable.

Every banking company may charge 6 per cent on discounts, notes, &c.; but any greater rate of interest shall cause a forfeiture of the debt or demand, &c.

SEC. 62. The total liabilities of any person, or of any company or firm (including, in the liabilities of a company or firm, the liabilities of the several members thereof) to any banking company, deriving any of its powers or privileges from this act, inclusive of liabilities as acceptor or acceptors of bona fide bills of exchange, payable out of this state, shall at no time exceed one half, exclusive of liabilities as acceptor or acceptors, one fifth, and exclusive of liabilities on such bills of exchange, one tenth part of the amount of the notes which such company is authorized to circulate, at the time of such liabilities.

Extent of liabilities.

SEC. 63. No banking company shall, at any time, pay out on loans or discounts, or in purchasing of drafts or bills of exchange, or in payment of depositors; nor shall it, in any other mode, put in circulation, the notes of any bank or banking company, either in or out of this state, which notes shall not, at that time, be receivable at par in payment of debts, and by the company so paying out or circulating such notes; nor shall it knowingly pay out or put in circulation, any notes issued by any bank or banking company which, at the time of such paying out or putting in circulation, is not redeeming its notes in gold and silver; nor any notes issued by any bank, out of this state, of a denomination less than five dollars.

Banks prohibited from circulating any notes not at par, or the notes of any banks out of the state, of less denomination than \$5.

SEC. 64. All notes, bills, and other evidences of debt, excepting bills of exchange, discounted by any banking company, shall be made by the terms thereof, or by special indorsement, payable solely to such company; and no such evidence of debt shall be assignable, except for collection, or for the following purposes:

No evidences of debt, excepting bills of exchange, assignable, but for collection, or for the following purposes:

First: To pay and redeem the circulating notes of such company.

Second: To pay other liabilities of the said company; and, after such liabilities shall have been discharged—

7—G. L.

Third: To divide among the shareholders on their stock.

All transfers made after the commission of an act of insolvency, except in payment of its circulating notes, to be held null and void.

SEC. 65. All transfers of the notes, bonds, bills of exchange, and other evidences of debt owing to any banking company, or of deposits to its credit; all assignments or mortgages or other securities on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its stockholders or creditors; all payments of money to either, made after the commission of an act of insolvency or in contemplation thereof, with a view to prevent the application of its assets in the manner prescribed by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be held utterly null and void.

If the directors, directly, or indirectly, knowingly violate any of the provisions of this act, such violation shall cause a forfeiture of their privileges.

SEC. 66. If the directors of any banking company which shall have availed itself of any of the privileges granted by this act, shall knowingly violate, or knowingly permit any of the officers, agents or servants of such company to violate any of the provisions of this act, all the rights, privileges and franchises of said company, derived from this act, shall thereby be forfeited; such violation shall, however, be determined and adjudged by a court of competent jurisdiction, agreeably to the laws of this state and the practice of such court, before the corporation shall be declared dissolved; and in case of such violation every director who participated in, or assented to the same, shall be held liable in his personal and individual capacity for all damages which the company, its shareholders, or any other persons, body politic or corporate, shall have sustained in consequence of such violation.

Officers of banks, for certain specified offences, shall be deemed guilty of a misdemeanor, &c.

SEC. 67. Every president, director, cashier, teller, clerk or agent of any banking company, who shall embezzle, abstract, or willfully misapply any of the moneys, funds, or credits of such company, or shall, without authority from the directors, issue or put in circulation, any of the notes of such company, or shall, without such authority, issue or put forth any certificate of deposit, draw any order or bill of exchange, make any acceptance, assign any note, bond, draft, bill of exchange, mortgage, judgment or decree, or shall make any false entry on any book, report or statement of the company with an intent in either case to injure or defraud such company, or to injure or defraud any other company, body corporate or politic, or any individual person, or to deceive any officer or agent appointed to inspect the affairs of any banking company in the state, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be confined in the penitentiary at hard labor, not less than five nor more than ten years.

Other banks, upon certain conditions, may be authorized to recommence banking.

SEC. 68. The stockholders of the bank of Geauga—of the Western Reserve Bank—of the Columbiana Bank of New Lisbon—of the Lafayette Bank of Cincinnati, and of the Ohio Life Insurance and Trust Company shall, in each case, be considered as having associated and formed a company for the purpose of banking under the provisions of this act, with such

amount of capital stock, by such name and at such place, within the county where such banking company is now located, as shall be determined on by a majority of the directors or trustees; and after making, acknowledging and filing with the county recorder a certificate setting forth the name, amount of capital, and the place of banking of such company, and transmitting to the board of commissioners a copy thereof, as prescribed in the seventh section, and after said commissioners shall have examined the condition of such company, and found that as to the amount of its capital, its gold and silver coin, or their equivalent, on hand, the requirements of this act have been complied with, such company shall be authorized to recommence, and, during the time limited by this act, carry on the business of banking, subject to the limitations, restrictions and liabilities herein prescribed; and on depositing with the treasurer of state, (subject, in case such company shall elect to become a branch of the State Bank of Ohio, to the order of the board of control,) certificates of funded debt, or money, to an amount equal to the amount required of the new companies formed and organized under the provisions of this act, as compared with the amount of their circulating notes, such company may immediately proceed to issue its notes of circulation to any amount within the limits in such cases prescribed by this act. But when the board of control or the treasurer of state, as the case may be, shall be prepared to furnish notes for circulation, the notes previously issued by such company shall not be reissued or in any way put in circulation by such company, but shall be transmitted to the treasurer of state, or the board of control, to be destroyed, as in the case of defaced or mutilated notes, and new notes received in lieu thereof; provided, however, that the capital set apart for banking purposes by the Ohio Life Insurance and Trust Company, and the capital of the Lafayette Bank of Cincinnati, may each extend to any sum not less than three hundred thousand dollars, nor exceeding one million dollars; but the circulating notes of neither of said companies shall at any time exceed six hundred and fifty thousand dollars. In determining the number, qualifications and liabilities of the directors or trustees of the two last named companies, they shall each be governed by their respective acts of incorporation; and the Ohio Life Insurance and Trust Company shall in all things, except as to its banking operations, be governed by its original charter.

SEC. 69. That the Bank of Wooster, at Wooster; the Bank of Massillon, at Massillon; the Bank of Norwalk, at Norwalk; the Bank of Circleville, at Circleville; the Clinton Bank of Columbus, at Columbus; the Bank of Xenia, at Xenia, and the Bank of Sandusky, at Sandusky, may, within one year from the passage of this act, and whenever two thirds of the directors, or the owners of a majority of the capital stock of any such bank, shall elect to do so, become an incorporated bank

The Bank of Wooster, &c. may become incorporated banks within one year, under the provisions, and during the time limited by this act, provided that they be governed

by the provisions of their original acts until the expiration of their respective charters.

under the provisions and during the time limited by this act, and, as such, be entitled to use and enjoy all the privileges, and be subject to all the liabilities and restrictions of the same; provided that the banks named in this section may, as far as the liabilities of their directors incurred previous to their acceptance of the provisions of this act, and as to their qualifications, be governed by the provisions of their several original acts of incorporation until the expiration of their respective charters; provided, also, that the acceptance of the provisions of this act, by the Ohio Life Insurance and Trust Company shall not be construed to take away, or abridge, the banking powers now enjoyed by said company, under its act of incorporation, after the franchises granted by this act shall have expired.

The banking institutions named in the 69th section, to be examined before they can enjoy the privileges granted by this act.

SEC. 70. That before any banking institution named in the next preceding section shall be entitled to the provisions granted by this act, the board of commissioners, or the board of control, as the case may be, shall appoint some suitable person to examine the assets, moneys, credits, effects and liabilities of such bank, and report the same to the commissioners, or board of control; and every such bank shall be considered as having a capital equal to the amount of its existing capital not exceeding the amount authorized by the act incorporating the same, deducting any amount of losses, bad debts, or debts not well secured, that may exist, greater in amount than the surplus property of said bank, undivided and on hand; provided that each of the banks named in the preceding section shall be allowed to fill up its capital stock by new subscriptions or otherwise, to the amount authorized by the law creating the same; and provided further, that the bank of Xenia, and the bank of Sandusky, shall be authorized to receive subscriptions to the capital stock of their respective institutions, to any amount not exceeding one hundred thousand dollars, in addition to the amount authorized by their respective acts of incorporation.

The amount of safety fund required by this act to be deposited by the institutions named in 69th section.

SEC. 71. That before any banking institution, named in the sixty ninth section of this act, shall be entitled to enjoy the privileges in this act granted, it shall deposit, with the proper board, the amount of safety fund required by this act; and every such banking institution shall, whenever seven or more institutions shall have been formed for that purpose, including those designated by name in this act, that may have accepted and complied with its provisions, become, and thereafter be considered, a branch of the State Bank of Ohio; and, as such, enjoy all the rights and privileges, and be subject to all the liabilities and restrictions provided for in the same; provided that any of the banks named in the sixty ninth section of this act, may, after examination and report, as provided in the next preceding section of this act, elect to become an independent bank, and upon compliance with the rules and regulations prescribed for the government of independent banks, as far as

may be applicable, such banking company shall be entitled to all the privileges, and be subject to all the restrictions of this act.

SEC. 72. That whenever any branch of the State Bank of Ohio shall desire to close the business of such branch, and withdraw the capital thereof, it may be lawful to do so with the consent and under the direction of the board of control, but not otherwise.

Any branch may close business, by consent of the board of control.

SEC. 73. The commissioners appointed by the fifth section of this act shall each be entitled to receive two dollars for each day actually employed, and the like sum for each fifty miles they shall travel in the performance of the duties enjoined on them by this act, which compensation shall be paid out of any moneys in the treasury not otherwise appropriated, on the order of the auditor of state, and the auditor shall assess an equal portion of the amount so paid, on each banking company that shall have availed itself of the privileges granted by this act; and each special agent appointed by said commissioners to examine and report the condition of any company, as provided in the tenth section, shall receive the same compensation as is allowed to a commissioner for his services, which shall be paid by the company whose condition he was appointed to examine.

Compensation of commissioners.

SEC. 74. Whenever, by the terms of this act, it shall be required to publish a notice in a newspaper of any particular county, and there is no newspaper at such time printed in such place, a notice printed in a newspaper of general circulation in such county for the time required, shall be considered as sufficient notice; and whenever, to comply with the provisions of this act, an oath is required, an affirmation shall, in all such cases, be considered a sufficient compliance with the same; and whenever the term funded debt is used in this act, as applicable to the debts of this state, it shall be construed to mean all debts of this state due upon certificates of debt on state bonds, and drawing not less than five per centum per annum interest.

Notice; oath; funded debt, &c.

SEC. 75. The act entitled "an act to regulate banking in Ohio," passed March seventh, one thousand eight hundred and forty two, and an act entitled "an act to amend the act entitled 'an act to regulate banking in Ohio,'" passed February twenty one, one thousand eight hundred and forty three, are hereby repealed; provided, that the bank of Sandusky, the Lafayette bank of Cincinnati, the bank of Xenia, the bank of Wooster, and the bank of Norwalk, shall be subject to all the provisions of their respective original charters, and all amendatory acts relating to the same, respectively, not heretofore, or by this act repealed, until they respectively conform to and accept the provisions of this act; provided, further, that nothing contained in this act shall be so construed as to permit any of the banks of this state to issue notes of a less denomination

Acts repealed, and provisions.

than five dollars, except such banks as shall accept of and comply with the provisions of this act.

JOHN M. GALLAGHER,
Speaker of the House of Representatives.
DAVID CHAMBERS,
Speaker of the Senate.

February 24, 1845.

AN ACT

In addition to the act entitled "An act to provide for the appointment of Wreckmasters and define their duties," passed February 13, 1839.

Stranded property.

SEC. 1. *Be it enacted by the General Assembly of the State of Ohio,* That when any person shall discover any shipwrecked property in the waters, lakes, bays, inlets, rivers, creeks, or harbors of this state, or on or near the shores of the same, he shall forthwith give information thereof to the commissioner of wrecks as required in the ninth section of the act to which this is an amendment, and the same proceedings shall be had therewith as is required by said section in case of stranded goods or other property; and should any person discovering said shipwrecked property conceal or convert the same to his own use, or fail to give information to the commissioner within four days as directed above, he shall be subject to be dealt with, and to the same penalties and damages prescribed in said section for similar delinquencies in case of stranded goods or other property.

Persons neglecting to give notice.

How punished.

Concealment of stolen goods.

How punished.

SEC. 2. If any person shall steal or embezzle any shipwrecked property or conceal the same, knowing it to have been stolen or embezzled, he shall be subject to the same suits, penalties, damages, liabilities and prosecutions provided in the tenth section of the aforesaid act in case of the stealing, embezzlement or concealing of stranded goods or other property.

JOHN M. GALLAGHER,
Speaker of the House of Representatives.
DAVID CHAMBERS,
Speaker of the Senate.

February 28, 1845.

Taken from "Ohio State Laws" - - Revised Statutes of Ohio (1853) - Curwen.

Ch. 402. An Act to regulate banking in Ohio. Passed March 7, 1842.

Sec. 21. Safety fund to be created. There shall be created from the capital stock of such banks as may be incorporated under this act, a safety fund, for the purpose of promptly redeeming the circulation of any such bank as may become insolvent, which fund shall be paid into the state treasury and invested for the purpose aforesaid, in such manner as shall be prescribed by law.

Repealed February 24, 1845.

Ch. 558. An Act to incorporate the State Bank of Ohio and other Banking Companies. Passed February 24, 1845

Sec. 1. In Force

Sec. 1. Who may engage in banking.

Sec. 2. Maximum of capital stock.

Sec. 3. The State divided into twelve districts.

Sec. 4. Number of banking companies limited in counties designated.

Sec. 5. Board of bank commissioners. (Modified)

Sec. 6. Governor to appoint first meeting; President of Board

Sec. 7. Bankers to make certificate.

Sec. 8. Capital stock of independent bank; branch of State Bank.

Sec. 9. Upon failure, on the part of assignees or shareholders, the directors may sell their stock.

Sec. 10. Board of bank commissioners may examine the certificates of banking companies.

Sec. 11. Duty of commissioners.

Sec. 12. Companies may increase their capital stock.

IN RELATION TO THE STATE BANK OF OHIO

Sec. 13. Appointment of members of the board of control. Whenever, from an inspection of the certificates transmitted by banking companies to the board of bank commissioners, it shall appear that any number of said companies, not less than seven, inclusive of such existing companies as are, by this act, especially authorized to resume or continue banking operations under its provisions, have made their election to transact their banking operations, as branches of the State Bank of Ohio, and have complied with the requirements of this act, preliminary

to the commencement of banking operations, then said commissioner shall immediately notify each of said companies thereof; and within ten days after receiving such notice, they shall each appoint, in such manner as the directors thereof shall prescribe, one person to be a member of the board of control of the State Bank of Ohio; and any two or more of such banking companies may unite in the appointment of the same person. But no person, who is not a citizen of the United States, and a resident of this State, and who has not resided within this State at least two years next previous to his appointment, shall be a member of the board of control.

Sec. 14. Meeting of the board of control; powers of board.

Sec. 15. Compensation of members of the board of control; expense of printing notes.

Sec. 16. Board of control a body corporate until the 1st day of May, 1866.

Sec. 17. Term of office of members of the board of control; vacancies; president of board.

Sec. 18. Notes payable in gold and silver coin.

Sec. 19. Ratio of notes in circulation.

Sec. 20. Notes delivered on president's order; defaced or mutilated notes.

Sec. 21. Every branch required to pay ten per cent, on the amount of notes given for circulation. Before the board of control shall deliver to any branch, notes for circulation, they shall require such branch to pay over or deposit to the credit of said board, as said board shall order, either in money or in certificates of the stocks of this State, or of the United States, at their current value in the city of New York, but in no instance above their par value, an amount equal to ten per centum on the amount of the notes for circulation, which shall be delivered to such branch. And so from time to time, as any branch may, by the paying in of an additional amount on its capital stock, or by not having received the amount of notes for circulation to which it was previously entitled, be authorized to demand an additional amount of notes for circulation, such branch shall deposit with the board of control ten per centum on the amount of notes so required, and the stocks and money so deposited shall be denominated the "Safety Fund," and shall be invested as hereinafter prescribed, and held by the board of control, as the property of said board, in trust for the benefit of the several branches of the State Bank of Ohio, and as a fund for the redemption of the notes of circulation of any one or more of said branches that may fail to redeem its notes, to be applied to that purpose in the manner pointed out by this act.

Sec. 22. Investment of the safety fund; interest on its stocks or bonds.

All money so deposited or paid to the board of control on account of the safety fund, by any branch, shall be under the direction of said board, invested by such branch, either in the stocks of the State, or of the United States, or in bonds secured by mortgages on unincumbered real estate situated in the country where such branch is located, or in adjoining counties, of at least twice the value in each case of the amount secured thereby, exclusive of building or other fixtures subject to be destroyed by fire, by floods or accidental occurrences, or of timber, mines or minerals, subject to waste; which bond shall be made payable on demand to the State Bank of Ohio, and shall bear such rate of interest as shall be agreed on by

the parties, not exceeding seven per centum per annum, payable semi-annually. Each branch shall be entitled to receive the interest accruing on the stocks or bonds in which its portion of the safety fund shall have been invested; and in case of the insolvency of any branch, the stocks and bonds in which the money of such branch shall have been invested as aforesaid, if the proceeds of such stock and bonds shall be sufficient to redeem its outstanding notes of circulation, shall as far as practicable, be first converted into money, and applied to that purpose, before any part of the safety fund belonging to other branches shall be so applied.

Sec. 23. To what amount stockholders and directors may be liable, either as debtors or sureties. The stockholders, collectively, of any branch shall at no time, be liable to such branch, either as principal debtors, or sureties, or both, to an amount exceeding one-third part of the capital stock of such branch then actually paid in and remaining as capital stock. Nor shall the directors, collectively, be so liable to an amount exceeding one-fourth part of the stock actually paid in, standing in their names, and of which they are collectively the bona fide owners in their own right; Provided that such directors may be further permitted to become liable, as drawers or indorsers of bona fide foreign bills of exchange, drawn in this State, and payable at any place out of the State, to an amount, when added to their other liabilities, not exceeding one-third of the capital stock actually paid in, and standing in the names of such directors; and the stockholders may become liable, in like manner, in such sum as, when added to their other liabilities, will not exceed one-half of the capital stock of any such branch actually paid in.

Sec. 24. If any branch refuses to redeem its notes, it shall be deemed insolvent. If any branch of the State Bank of Ohio shall refuse to pay its notes of circulation, (1) or any of them, in gold or silver coin, the lawful currency of the United States, on which payment shall be lawfully demanded at its banking house, or customary place of doing banking business, during usual banking hours, such branch shall be deemed to have committed an act of insolvency, and thereupon all its property, credits, securities, liens and assets of every description, shall *forthwith vest in, and be the property, credits, securities, liens and assets, of the board of control, for the uses and purposes declared in this act.

Sec. 25. Board of control, upon insolvency of any branch, appoint a committee of examination. The board of control, on receiving information that any branch of the State Bank of Ohio has committed an act of insolvency, shall forthwith appoint a committee of one or more of its members, who shall make immediate inquiry into the truth of such information, and report thereon to the board; and if the board shall be satisfied, from the report of the committee, that such branch has suspended the payment of its notes in gold and silver, they shall forthwith appoint a suitable receiver or receivers, who shall take immediate possession of the books, (2) records, money, choses in action, and property of said branch of every description, and hold the same for the joint use and benefit of the other branches of the State Bank of Ohio, and the creditors of said failing branch; and said board of control shall immediately provide money, and place the same in such solvent branch or branches, as may be most convenient for the purpose of redeeming the notes of such failing branch, and shall give public notice thereof in some newspaper, printed in the place where such failing branch is located, and also in some newspaper of general circulation published at Columbus.

Sec. 26. Each branch to contribute to redeem the notes of a failing branch. Each solvent branch shall contribute, in the ratio of the circulation to which it is entitled, to the sum necessary for redeeming the notes of the failing branch, as provided in the preceding section, on the requisition of the board of control, and may be remunerated for such contribution, from the safety fund, as soon as money sufficient can be raised from that fund, by a sale or hypothecation of the stock, funds, or other securities belonging thereto.

Sec. 27. Receivers to give bond. The receiver or receivers, appointed as provided in the twenty-fifth section, shall be required to give bond in such sum, and with such securities, as the board of control shall judge sufficient; and, under the direction of the said board, shall proceed to settle up its affairs, and convert its assets into money; the money so made shall be applied--

First: To reimburse all moneys which shall have been advanced by the several branches for the redemption of the notes and bills of the insolvent branch, and which may not have been previously reimbursed from the safety fund.

Second; To reimburse all moneys advanced from the safety fund, other than moneys derived from that portion of the safety fund furnished by the failing branch.

Third: To the payment and discharge of all the remaining liabilities of such branch; and--

Fourth: The residue shall be divided among the stockholders of the failing branch, in proportion to the stock by them respectively held.

Sec. 28. If any branch denies the insolvency, it may apply for injunction. If any branch, against which the board of control shall have instituted proceedings, on account of any supposed act of insolvency, as prescribed by the twenty-fifth section of this act, shall deny having committed such act of insolvency such company may apply to any court of competent jurisdiction for a writ of injunction to said board of control to suspend all further proceedings against such branch, as an insolvent company; and such court, after citing said board of control to appear and show cause why such writ should not be granted, and after the finding of a jury that such branch has, at all times continued, and still continues to redeem, in gold and silver coin, its notes of circulation, shall make an order, injoining the board of control, from all further proceedings against such branch on account of the supposed act of insolvency, on which such proceedings were instituted, and thereupon all the property and assets of such branch shall be restored to its directors.

Sec. 29. Board of control may be compelled to comply with the provisions of preceding sections. If the board of control shall, in any case, fail to proceed in the manner prescribed in the foregoing sections of this act, and providing for the payment of the outstanding notes of circulation, and in closing the affairs of any branch that shall have committed an act of insolvency, the holder of any of its notes of circulation, or other creditor of such branch may, in case payment of such notes of circulation or other claim, has been refused when lawfully demanded, and remains unpaid, apply to any court of competent jurisdiction, for its writ, commanding the board of control so to proceed; and it shall be the duty of such court, after citing such board to appear and show cause why such writ should not issue, and upon the finding of a jury that such act of insolvency has been committed, to issue their

writ, commanding said board of control forthwith to proceed, in the manner pointed out in the preceding sections of this act, to provide for the payment of the outstanding notes of such branch, close up its affairs, and make application of its assets.

IN RELATION TO INDEPENDENT BANKING COMPANIES

Sec. 30. Independent banking companies to deposit certificates of funded debt of this State, or of the United States, to amount of their capital stock. Each company that shall have elected to carry on its business as an independent banking company, and shall have complied with the requirements of this act, preliminary to the commencement of banking business, shall, before it shall commence such business and before it shall be held to have acquired corporate powers, deposit with and transfer to the Treasurer of State certificates of the funded debt of this State, or of the United States, at least equal in amount to the amount of its capital stock, at such time paid in; and, from time to time, as an additional installment, or portion of its capital stock, shall be paid in, additional certificates of the funded debts above specified, at least equal in amount to the amount of such additional payments of capital stock, shall, within thirty days after such payment, be deposited with and transferred to the Treasurer of State, but no such certificate of funded debt shall be received *by said treasurer at a rate or price above the average selling price of such certificates at the New York stock exchange, for the four weeks next preceding the time of the receipt thereof by the treasurer, nor shall any certificate of the funded debt of this State be received at any rate above its par value, exclusive of the unpaid interest that may have accrued thereon; and if such company shall fail to make deposits and transfers of stock, as in this section required, all its franchises and powers derived from this act, except such as may be necessary to settle up its affairs, shall immediately cease and determine.

Sec. 31. Treasurer of State to deliver to independent banking companies their notes for circulation. The Treasurer of State shall deliver, from time to time as he may be prepared so to do, to any independent banking company that may have entitled itself thereto, on the written order of the president and a majority of its directors, notes for circulation to any amount not exceeding the value of the certificates of funded debt deposited with, and transferred to him by such company, as prescribed by the preceding section; but at no time shall the total amount of such notes, delivered to any such company, exceed three times the amount at such time actually paid in on its capital stock, and remaining as capital stock, undiminished by losses or otherwise.

Sec. 32. Treasurer of State to cause to be engraved and printed circulating notes.

Sec. 33. Plates, dies, and materials for printing and making circulating notes, to be in care of treasurer.

Sec. 34. When a company may issue notes. After any such independent banking company shall have caused to be executed and signed, by the president and cashier thereof, the circulating notes received from the Treasurer of State, in such manner as may be requisite to make them obligatory notes, payable on demand,

at its place of business, such company is hereby authorized to issue and circulate the same as money.

Sec. 35. Mutilated notes to be destroyed.

Sec. 36. The interest or dividend upon stock deposited and pledged.
The treasurer of State shall give to any company, by whom any stock shall have been deposited, according to the provisions of the thirtieth section of this act, powers of attorney to receive the interest or dividends thereon, which interest or dividend such company may receive and apply to its own use; but such powers of attorney shall become void upon any such company failing to redeem the circulating notes issued by such company; Provided, however, that whenever the price of any of the stocks pledged for the security or redemption of the circulating notes issued by any such company, as aforesaid, shall be at the stock exchange, in the city of New York, for four consecutive weeks, at a price or rate less than the value of which such stock shall have been estimated, when so deposited and pledged, the treasurer shall receive and retain the interest or dividend on such depreciated stock, so pledged, until the interest so received, when added to the market value of stocks so pledged, to be ascertained as in this section before provided, will be equal in amount to the amount for which such stocks were pledged, and he shall deposit the amount so received with any solvent banking company in this State, at such rate of interest as shall be agreed upon, or, at the option of the company by which such stocks were deposited, invest such interest or dividends in any of the stocks by this act authorized to be pledged, in the name of the Treasurer of State, in trust for the banking company by whom the stocks, on which such interest or dividends may have accrued, shall have been pledged, and whenever the price of such depreciated stocks, at the New York stock exchange, shall rise to the price at which they were pledged by the company, and so remain for four *consecutive weeks, such investment shall be assigned to such company, and all accruing interest on such pledged stock shall thereafter be paid to such company.

Sec. 37. Stocks given as security held exclusively by the treasurer. The stocks transferred to the Treasurer of State, by an independent banking company, for the security of its circulating notes, shall be held by him exclusively for that purpose, until such notes shall be redeemed, except as hereinafter provided.

Sec. 38. When any independent banking company fails to redeem its notes.
If any such independent banking company shall fail to redeem, in gold or silver coin, any of its circulating notes, issued in pursuance of the provisions of this act, when payment thereof shall be lawfully demanded, during the usual hours of business, at the office of such company, the holder of such note or notes may cause one or more thereof to be protested by a notary public, who shall, on protesting the same, forthwith forward notice of such protest to the Treasurer of State, and after such protest suffered, it shall not be lawful for the company thus suffering protest, to pay out any of its notes, discount any notes or bills, or otherwise engage in the business of banking, except to receive and safely keep moneys belonging to it, and to deliver special deposits; Provided, however, that if satisfactory proof be produced to such notary public that the payment of any such note or notes is restrained or delayed by order of any court of competent jurisdiction, such notary public shall not protest the same; where the holder of such notes shall cause more than one to be protested on the same day, he shall not receive pay for more than one such protest.

Sec. 39. When any independent banking company fails to pay or redeem, the Treasurer of State may sell stocks pledged; proceeds of sale distributed. In case any such independent banking company shall fail to pay, and redeem its circulating notes on demand, in gold or silver coin, as specified in the next preceding section of this act, the Treasurer of State shall, within thirty days after he shall have received notice of such failure, cause the stocks pledged by such company, or so much thereof as may be necessary to redeem the outstanding circulating notes of such company, to be sold either at the stock exchange in the city of New York, after giving notice of such sale to such company, and also advertising the time and place of sale, with a pertinent description of the stocks to be offered for sale, in two or more newspapers published in the city of New York, for not less than ten consecutive days before the day of sale, or at the State Treasury in the city of Columbus, giving notice to said company, and also advertising, in one or more newspapers published in the city of Columbus, and one or more newspapers in general circulation in the county where the office of such failing company is situated; which advertisements shall contain the same particulars as are required herein, where sales are to be made in the city of New York; and out of the proceeds of such sale the treasurer shall pay, in a ratable proportion, the circulating notes of such company, of which due notice shall be given, calling upon the holders of such notes to present them for such payment, at the State treasury; Provided, that if any *of the circulating notes of such failing company shall not be presented, for redemption, at the State treasury, until after the term of two years from the date of the first publication of the notice to the holders of such notes, to present the same at the State treasury, the treasurer may pay, ratably, to the holders of the notes previously presented, if such notes shall not have been previously paid in full, whatever of the proceeds of such sale, remaining in his hands, may be needed to fully discharge such notes so presented.

Sec. 40. Treasurer may hypothecate or sell deposited stocks at private sale. The Treasurer of State may, if he shall deem that the interest of the noteholders of any insolvent banking company will be best promoted thereby, with the advice of the Auditor and Secretary of State, hypothecate, or sell at private sale, any of the stocks transferred to, and deposited with him, by such company, to any other independent banking company, or to any individual person or firm, and receive therefor, either money, or the circulating notes of such failing company; Provided, that no such stock shall be sold, by private sale, at less than the par value thereof, nor at less than its selling price, at the New York stock exchange, at the date of the last received information, nor shall any such stock be sold on credit.

Sec. 41. Appointment of special agent after the insolvency of an independent banking company; proceeds of an insolvent bank disposed of; proceedings enjoined and the fact of insolvency tried. On receiving notice that any such independent banking company shall have committed an act of insolvency, as hereinbefore defined, the Treasurer of State, the Secretary of State, and the Auditor of State, or a majority of them, shall appoint a special agent who shall immediately proceed to ascertain whether such company has refused to pay its notes in gold and silver coin, when lawfully demanded, and report to the said treasurer, secretary and auditor, the facts so ascertained; and if, from the report so made, said treasurer, secretary and auditor, or a majority of them, shall be satisfied that such company has suspended the payment of its circulating notes, when lawfully demanded, in gold and silver coin, they shall forthwith appoint a

receiver or receivers, and require of him or them such bond and security as they shall deem proper, who shall proceed to take possession of the books, records and assets, of every description, of such company; collect all debts, dues and other claims, belonging to such company; settle, and, with the approbation of an agent, to be appointed by the stockholders for the protection of their interests, compound for all bad and doubtful debts; sell all the real and personal property of said company and to pay over all moneys so made, to the Treasurer of State; and the Treasurer of State shall cause notice to be given, by advertisement, in one or more newspapers published in the city of Columbus, and also in one or more newspapers, in general circulation, in the county where the office of such insolvent company shall be situated, for six consecutive months, calling on all persons who may have claims against such company, to make legal proof thereof; and, after the end of one year from the first publication of such notice, the treasurer, after full provision shall have been made for redeeming the *circulating notes of such company, shall make a ratable dividend of the moneys so paid over to him by such receiver or receivers, inclusive of moneys received by him on sales of stock transferred to, and deposited with him by such company, on all such claims as may have been so proved; and from time to time, as the proceeds of the assets of said company shall be paid over to him, the said treasurer shall make further dividends, as aforesaid, on all claims previously proved; and the remainder, if anything, shall be paid over to the stockholders of the company, or their legal representatives, in proportion to the stock by them severally held; Provided, however, that if any independent banking company, against which proceedings have been instituted, as prescribed in this section, on account of any supposed act of insolvency, shall deny having committed such act, such company may apply to any court of competent jurisdiction to injoin further proceedings in the premises; and such court, after citing the Treasurer, Secretary and Auditor of State, to show cause why further proceedings should not be enjoined, and after the finding of a jury, that such company has not suspended the payment of its notes, when legally presented, in gold and silver coin, shall make an order, injoining said Treasurer, Auditor and Secretary of State, and any receiver or receivers appointed by them, from all further proceedings on account of such supposed act of insolvency.

Sec. 42. No dividends to be made on shares while any debts or demands remain unsatisfied.

Sec. 43. Fees for protesting paid.

Sec. 44. To what amount stockholders may be liable; visitation of banks.

Sec. 45. Certificates of funded debt may be re-transferred to independent banking companies. Whenever any independent banking company, being desirous of diminishing the amount of its circulating notes, shall deliver to the Treasurer of State any portion of such notes, not less in amount at any one time than five thousand dollars, to be destroyed, the treasurer shall destroy the same, as prescribed in section thirty-five, and shall, thereupon, re-transfer and deliver to such company certificates of funded debt deposited with him by such company to an amount equal to the amount of notes so delivered up; Provided that the amount of such certificates remaining with the treasurer shall not, thereby, be reduced below the amount of the capital stock of such company at that time paid in, nor in any case below the sum of fifty thousand dollars, nor in value, estimating the same at their then current price in the city of New York,

below the amount of the circulating notes still retained by such company; nor shall the treasurer be required to re-transfer such certificates in fractional sums of less than one thousand dollars; and whenever any such company, being desirous of relinquishing its banking business, shall have paid at least ninety-per centum of the maximum amount of its circulating notes, and shall have delivered the same to the Treasurer of State, to be destroyed, and shall have provided means and given security, to the satisfaction of the Treasurer, Secretary, and Auditor of State, for the redemption of its outstanding notes of circulation, at the place where the office of such company was established, and shall have given notice thereof by advertisement, for six consecutive months, in two newspapers of general circulation, published in Columbus, and at least one published in the city, town, or village where the office of such company is located, it* shall be lawful for the Treasurer of State to re-transfer and deliver to such company, all the certificates of funded debt, previously pledged with him by such company, and, thereupon, all the corporate powers of such company, except such as shall be necessary to close up its affairs, shall cease.

GENERAL PROVISIONS

Sec. 46. Amount of shares.

Sec. 47. No bank shall receive as security, a lien upon any part of its capital stock, nor make any purchase of stock.

Sec. 48. Stockholders entitled to one vote for each share.

Sec. 49. The number and qualifications of directors.

Sec. 50. Term of directors; vacancies.

Sec. 51. Banking companies body corporate until the 1st of May 1866; their powers and privileges.

Sec. 52. Denominations of notes; amount of each denomination.

Sec. 53. Nothing to be circulated as money, except such notes. No banking company, deriving any of its powers or privileges from this act, shall at any time issue, or have in circulation, any notes, draft, bill of exchange, acceptance, certificate of deposit, or other evidence of debt, which from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are by this act described, and which such companies are expressly authorized to issue for the purpose of being circulated as money.

Sec. 54. Each company to redeem the notes of all other independent companies at par. Each independent banking company shall receive at par, at the office or banking house of such company, in payment for debts due for notes of hand, bills of exchange, or other evidences of debt, discounted or purchased by, or belonging to such company, the notes of circulation issued by any other independent banking company, authorized to issue such notes by this act, which shall, at the time, redeem its notes in gold and silver coin; and every branch bank of the State* Bank of Ohio shall receive at par, at the office or banking house of such company, in payment of debts due for notes of hand, bills of exchange, or other evidences of debt discounted or purchased by, or belonging to, such branch bank, the notes of circulation issued by any other branch of the State Bank of Ohio.

Sec. 55. Proportion of Specie to notes. Each banking company shall, at all times, have on hand, in gold and silver coin, or their equivalent, one half at least of which shall be in gold and silver coin in its vault, an amount equal to at least thirty per centum of the amount of its outstanding notes of circulation; and whenever the amount of its outstanding notes of circulation shall exceed the above-named proportion, (1)* for the space of twelve days, or whenever the said gold and silver coin, or their equivalent, shall at any time fall below the amount of twenty per centum of its circulation, no more of its notes shall be paid out, or otherwise put in circulation, by such banking company, nor shall such company increase its liabilities by making any new loans or discounts other than discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required proportion between its outstanding notes of circulation and gold (and) silver coin, or their equivalent on hand, shall be restored. Actual deposits with any solvent bank or banker of established credit in the cities of New York, Boston, Philadelphia, or Baltimore, subject to be drawn against at sight, payable in gold and silver coin, shall be deemed equivalent to gold and silver coin, wherever these terms are used in this act.

Sec. 56. To what extent banks may be liable.

Sec. 57. Prohibitions upon banking companies.

Sec. 58. Loans to stockholders not to exceed six months, and dividends made upon the net profits.

Sec. 59. When dividends to be declared; statements to be made twice annually.

Sec. 60. Banking companies to set off to the State six per cent. on its profits.

*Sec. 61. May discount at six per cent.

Sec. 62. Amount of debt to banks.

Sec. 63. Not to pay out depreciated notes.

Sec. 64. No evidences of debt, excepting bills of exchange, assignable, but for collection, or for the following purposes:

Sec. 65. All transfers made after the commission of an act of insolvency, except in payment of its circulating notes, null and void.

Sec. 66. Directors knowingly violate any of the provisions of this act, charter forfeited.

Sec. 67. Officers embezzling funds; making false entries.

Sec. 68. Other banks authorized to recommence banking.

Sec. 69. (no heading)

Sec. 70. Banking institutions named in the 69th section to be examined.

Sec. 71. Amount of safety fund to be deposited. That before any banking institution named in the sixty-ninth section of this act, shall be entitled to enjoy the privileges in this act granted, it shall deposit, with the proper board, the amount of safety fund required by this act; and shall have been formed for that purpose, including those designated by name in this act, that may have accepted and complied with its provisions, become, and thereafter be considered, a branch of the State Bank of Ohio; and, as such, enjoy all the rights and privileges, and be subject to all the liabilities and restrictions provided for in the same; Provided that any of the banks named in the sixty-ninth section of this act, may, after examination and report, as provided in the next preceding section of this act, elect to become an independent bank, and upon compliance with the rules and regulations prescribed for the government of independent banks, as far as *may be applicable, such banking company shall be entitled to all the privileges, and be subject to all the restrictions of this act.

Sec. 72. Any branch may close business.

Sec. 73. Compensation of Commissioners.

Sec. 74. Notice; oath, funded debt.

Sec. 75. Acts repealed, and provisoes.

NOTES:

Sec. 21. * 43 Laws, 34, - 1844.

Sec. 24. (1) For mode of enforcing the reduction of liabilities of banks, see chapter 862.

Sec. 25. (2) After the allowance of an injunction against a bank, as provided for in chapter 862, the property of the bank vests in the board of control, who shall appoint a receiver.

Sec. 28 *43 Laws, 36, - 1844.

Sec. 30. *43 Laws, 37.

Sec. 36. *43, Laws, 39.

Sec. 41. # The case of Commonwealth v. Farmers' and Mechanics' Bank, 21 Pickering's R. 542, might be consulted for analogies.

Sec. 41. *43 Laws, 41, - 42.

Sec. 54. *43 Laws, 46.

Sec. 55. (1)* Amended, see chapter 1023 Sec 6.

Sec. 71. *43, Laws, 52.

From Swan's Revised Statutes of Ohio of a General Nature in Force August 1, 1860
Vol. 1

Law of 1845 is printed in full as being still in force. There are several supplementary acts, among which is the following:

STOCKS, ETC., DEPOSITED BY BANKS

Curwen's R. S.,
1098, 1609; Cur-
wen's Laws, 857,
928.

An Act to provide more effectually for the safe keeping of the securities deposited by banks, and for the redemption of their notes (Passed and took effect April 5, 1859. 56 vol. Stat. 162.)

Certificates of
funded debts--
their deposit with
state treasurer,
transfer, etc.

(149.) Sec. I. Be it enacted by the General Assembly of the State of Ohio, That the certificates of the funded debt of this state and of the United States, required to be deposited with and transferred to the treasurer of state as security for the redemption of the circulating notes of independent banking companies, agreeably to the provisions of the act to incorporate the state bank of Ohio and other banking companies, passed February 24, 1845; and the certificates of the funded debt of this state, of the United States, and of other states, required to be transferred to the auditor of state as security for the redemption of the circulating notes of banking companies, agreeably to the provisions of the act to authorize free banking, passed March 21, 1851, and of the act supplementary to the last mentioned act, passed April 11, 1856, shall hereafter be deposited with the treasurer of state, and be carefully preserved by him in the state treasury; and all of such certificates as shall have heretofore been transferred to the auditor of state shall be by him deposited with the treasurer of state, and be carefully preserved by him in the state treasury. All such certificates, so deposited, as shall be transferrable at any agency or office of this state, of the United States, or of any other state, shall be transferred and made payable to "the treasurer of the state of Ohio, and the comptroller of the treasury of the state of Ohio, for the use of" (naming the particular banking company owning or depositing the same); and such certificates so deposited, and that have heretofore been deposited, shall be subject to sale and transfer upon the written authority of the treasurer of state, the comptroller of the treasury, and of the president or cashier of the particular banking company owning or depositing the same, and not otherwise, except as hereinafter provided; and all of such certificates so deposited, as shall be payable to any person or persons, corporation or banking company, or order, or assigns, or bearer, or as shall be transferable by delivery, shall, by special indorsement thereon, be assigned to the treasurer and comptroller for the use of the banking company owning or depositing the same, in manner aforesaid; and such certificates as shall be so assigned and deposited, and such as have heretofore been deposited, shall be transferable

by indorsement of the treasurer and comptroller, by special indorsement, to the banking company owning or depositing the same, or to such person or persons, company or corporation, as the president or cashier of the proper banking company shall authorize in writing, and not otherwise, except as hereinafter provided; but no such transfer or assignment shall be made, unless the banking company owning or depositing such certificates, shall be entitled thereto, agreeably to the provisions of the act under which the banking company shall have been organized.

Accounts thereof to be kept by treasurer and comptroller.

--And by register of bank department.

Accounts open to inspection.

(150.) Sec. II. It shall be the duty of the treasurer of state, and of the comptroller of the treasury, forthwith to make, and thereafter to keep in their respective departments, accurate accounts of all certificates of debt so deposited as aforesaid, and of all certificates hereafter deposited as security for the redemption of circulating notes of banking companies; and the treasurer shall forthwith inform the register of the bank department of the certificates that have heretofore been, and that may hereafter be deposited; and it shall be the duty of the register to keep accurate accounts thereof; and such accounts, as also all other accounts pertaining to banking companies, shall, at all reasonable times, be open to the inspection and examination of any officer or agent of any of said banking companies; of the governor, auditor of state, treasurer, comptroller, and attorney general, or either of them, or any commissioner appointed by the governor for that purpose, and of any committee of the general assembly, or either branch thereof, thereunto authorized by resolution.

Engraving plates and printing notes -- duties of comptroller and treasurer.

(151.) Sec. III. Whenever any banking company shall desire to have any plate or plates for circulating notes engraved, or any blank circulating notes printed, and shall notify the comptroller thereof in writing, the comptroller shall issue an order to the treasurer of state to cause the same to be engraved or printed, specifying particularly in the order the denomination or denominations of the plate or plates to be engraved; or the several denominations of the blank notes to be printed, with the amount of each denomination; and the treasurer of state shall strictly observe such order in causing such engraving and printing to be done; and upon the delivery to the treasurer of any blank printed circulating notes, the treasurer shall notify the comptroller and register thereof, and they, in the presence of the treasurer, shall carefully examine the same, and make an account thereof in their respective departments.

Registered notes -- delivery thereof to banks, etc.

(152.) Sec. IV. When a banking company shall be entitled to receive any registered notes, the comptroller of the treasury shall, on the written application of the proper officers of the bank, issue an order on the treasurer of state therefor, and deliver the same to the register, specifying in such order the amount of each denomination of unregistered notes, to be delivered to the register; and on the presentation of such order, and ascertaining from the accounts in his office that the banking company is entitled to the same, the treasurer of state shall deliver the notes specified in such order to the

register, who shall forthwith register and deliver the same to the agent of the banking company, and make an account thereof; but such notes shall not be registered or delivered unless it shall appear from the accounts in the register's office that the bank is entitled thereto.

Burning of re-
turned circulating
notes

(153.) Sec. V. Whenever a banking company shall return any of its circulating notes to be burnt, the same shall be burned to ashes by the treasurer of state, in the presence of the comptroller of the treasury and the agent of the bank, and four certificates thereof be made and signed by the treasurer, comptroller and agent of the bank, specifying the amount of each denomination of notes so burned to ashes; one copy of which certificate shall be delivered to the agent of the bank, and one each to the treasurer, comptroller and register.

The register--his
accounts of stock
and circulating
notes delivered to
banks and returned
to be burnt.

(154.) Sec. VI. The auditor of state shall appoint some suitable person as a clerk in his office, who shall be styled the register, and be under the supervision and control of the auditor. The register shall, without delay, make and keep in his office accurate accounts of all certificates of debt now deposited, and that may hereafter be deposited with the treasurer as security for the redemption of circulating notes of banking companies; he shall also make and keep an account of the amount of each denomination of the notes of each banking company, delivered to such bank, and of the amount returned and burned, so as to show the balance of notes chargeable to such bank; and he shall also keep accurate accounts of all notes hereafter registered and delivered to each bank, and notes returned to be burnt, so as at all times to exhibit the true amount of each denomination of registered notes delivered to each banking company, and the amount thereof returned.

The sale of stock
to redeem notes of
failing bank.

(155.) Sec. VII. Whenever it shall be necessary to sell any of the certificates of funded debt so deposited as aforesaid, for the redemption of the notes of a failing bank, the auditor, treasurer and comptroller shall make an order on the treasurer to sell such certificate and certificates, and at such time and times, place and places, as may be necessary to redeem the outstanding circulating notes of such bank, as the same may be presented for redemption, and produce the largest sum that may be obtained for such certificates; and when it shall have been determined to make such sale, the comptroller shall issue an order to the treasurer specifying what certificates shall be sold, and the time and times, place and places of selling the same; and in making such sale the treasurer shall be governed by the provisions of the act under which such bank shall have been organized, except as provided by this act. When any such sale shall be made, the treasurer shall forthwith report the same and the amount of money thence arising, to the comptroller and the auditor, who shall cause an account thereof to be made in their respective departments, and the treasurer shall be charged with the money as a redemp-

Report of sale and
proceeds--ac-
counts thereof

Payments for re-
demption of notes
--how made

Burning redeemed
notes.

Proceedings on
quo warranto
against banks.

*Treasurer, auditor &
auditor of state to
Auditor to furnish
notes on deposit
of stock.*

Fraudulent use or
disposition of se-
curities punished
as embezzlement;

--Prosecutions,
etc.

55 Laws, 94,95,
Post Chap. 120.

tion fund, and all payments made by the treasurer for the redemption of the notes of a bank, shall be upon the warrant of the auditor, as in other cases; all notes, presented for redemption at the treasury, shall be burned to ashes by the treasurer in the presence of the comptroller and register, and certificates of such burning, signed by the treasurer, comptroller and register, shall be made, and account thereof kept, as in other cases.

(156.) Sec. VIII. If any banking company shall fail to transfer, and keep deposited with the treasurer of state, the amount of securities for the redemption of circulating notes required to be deposited by the act under which such banking company shall have been organized; or shall fail to make the quarterly returns of the condition of the bank, or to keep on hand the amount of coin and its equivalent required by the act aforesaid; or if any other violation of any of the provisions of the act under which such banking company may be organized shall come to his knowledge, the auditor of state shall forthwith notify the attorney general thereof; and the attorney general shall thereupon, and also for any such violations that may otherwise come to his knowledge, proceed by quo warranto, in the proper court, against such banking company as for a forfeiture of the corporate franchises thereof.

(157.) Sec. IX. If the auditor of state, treasurer of state, or comptroller of the treasury, or any clerk in either of their offices, shall knowingly and purposely, and with intent thereby to cheat or defraud any person or persons, or body corporate, use or otherwise dispose of any of the securities deposited by any banking company, whether the same be registered or unregistered, and which may have come into his possession or under his control, for any of the purposes named in this act, he shall be deemed and held guilty of embezzlement, and prosecuted by indictment in any court having jurisdiction of the offense, and upon conviction thereof shall suffer the same punishment or penalty as is or may be provided by law for the punishment of persons guilty of the embezzlement of the proper securities and moneys of the state: and in all prosecutions for embezzlement under the provisions of this act, the securities and the notes aforesaid, whether registered or unregistered, shall be deemed and held to be of the value denominated on the face thereof.

(158.) Sec. X. Sections seven, eight, and nine of the act entitled "an act to further provide for the better regulation, and receipt, disbursement, and safe keeping of the public revenue, passed April 12, 1858, are hereby repealed: Provided, that the repeal thereof shall not affect the existing rights or liabilities, civil or criminal, of any person or person, arising under the sections so repealed.

Sec. XI. This act shall take effect on its passage.

This Volume also contains a Free Banking Act enacted in 1851 from which the following marginal notes and sections are taken.

Who may engage in banking.

Certificate to be made.

Copy to be deposited with secretary of state.

Sixty per cent. of stock to be paid in.

Governor, auditor and secretary of state to furnish company a certificate.

Auditor of state to cause notes to be engraved, etc.

Auditor to furnish notes on deposit of stock.

Sec. 7. Whenever any company, formed for the purpose of banking, under the provisions of this act, shall lawfully transfer to the auditor of state any portion of the public stock issued, or to be issued by the state of Ohio, or by the United States, such company shall be entitled to receive from the auditor an equal amount of such circulating notes of different denominations, registered and countersigned as aforesaid; but such public stock shall in all cases be, or be made to be, equal to a stock of this state, producing at least five per centum interest per annum; and it shall not be lawful for the auditor to take such stock at a rate above its par value, nor above its current market value; Provided, that the auditor shall not furnish to such company circulating notes to an amount more than three times the amount of the capital stock of such company, actually paid in and remaining in such bank, undiminished by losses. The plates, dies and materials to be procured by the auditor for the printing and making of the circulating notes provided for hereby, shall remain in his custody and under his direction; and the expenses necessarily incurred in executing the provisions of this act shall be audited and settled by the auditor, and paid out of any moneys in the treasury not otherwise appropriated; and, for the purpose of reimbursing the same, the said auditor is hereby authorized and required to charge against and receive from such company applying for such circulating notes such rate per centum thereon as may be sufficient for that purpose, and as may be just and reasonable.

Such notes to be circulated as money;

Sec. 8. Every such company is hereby authorized, after having executed such circulating notes in the manner herein required, to make them obligatory promissory notes, payable on demand, at its place of business within the state; to loan and circulate the same as money, according to the ordinary course of banking business, as regulated by the laws and usages of this state.

--To be signed by president and cashier.

Powers of the company

Stock to be personal property, &c.

No lien to be taken on capital stock.

Who may vote at elections.

Officers, and who eligible.

Term of office of directors.

Denomination of notes, and their proportion.

No bank to issue
any other notes,
&c.

Sec. 17. No banking company, hereby authorized, shall at any time issue, or have in circulation, any note, draft, bill of exchange, acceptance, certificate of deposit, or other evidence of debt, which, from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are by this act described.

All banks under
this law to receive
the notes of each
other at par.

Sec. 18. Each banking company herein authorized, shall receive at par, at the office or banking house of said company, in payment for debts due such company, the notes of circulation issued by any other banking company authorized to issue such notes by this act, which shall, at the time, redeem its notes in gold and silver coin.

Thirty per cent.
of coin to be kept
on hand.

Sec. 19. Each banking company shall at all times have on hand, in gold and silver coin, or their equivalent, one-half at least of which shall be in gold and silver coin, in its vault, an amount equal to at least thirty per centum of the amount of its outstanding notes of circulation; and whenever the amount of its outstanding notes of circulation shall exceed the above named proportion for the space of twelve days, or whenever the said gold and silver coin, or their equivalent, shall, at any time, fall below the amount of twenty per centum of its circulation, no more of its notes shall be paid out, or otherwise be put in circulation, by such company; nor shall such company increase its liabilities by making any new loans or discounts, other than discounting or purchasing bills of exchange payable at sight, nor make any dividend of its profits, until the required proportion between its outstanding notes of circulation and gold and silver coin on hand, shall be restored; actual deposits with any solvent bank or banker, of established credit in the cities of New York, Boston, Philadelphia or Baltimore, subject to be drawn against at sight, payable in gold and silver coin, shall be deemed equivalent to gold and silver coin, wherever these terms are used in this act.

Liabilities

Notes not to be exchanged for stocks, nor capital stock to be hypothecated for certificates of stocks.

Capital stock not to be withdrawn.

Dividends, when declared, and oath of cashier thereon.

Interest to be charged, &c.

Liabilities to any other company not to exceed one-third its circulation.

Uncurrent notes not to be paid out.

Notes, &c., to whom payable.

What transactions are void.

Penalty for violation of the provisions of this act.

Officers who are guilty, to be imprisoned, &c.

Mutilated notes to be exchanged and burnt.

Powers of attorney to be given by auditor.

Auditor to hold
stocks for securi-
ty, &c.

Sec. 33. The stocks transferred to the auditor of state by any banking company, for the security of its circulating notes, shall be held by him exclusively for that purpose, until such notes shall be redeemed, except as hereinafter provided.

Delinquent banks
--how dealt with.

Sec. 34. If any such banking company shall fail to redeem, in gold and silver coin, any of its circulating notes issued in pursuance of the provisions of this act, when payment thereof shall be lawfully demanded, during the usual hours of business at the office of such company, the holder of such notes or notes, may cause one or more thereof to be protested by a notary public, who shall, on protesting the same, forthwith forward notice of such protest to the auditor of state; and after such protest suffered, it shall not be lawful for the company thus suffering protest, to pay out any of its notes, discount any notes or bills, or otherwise engage in the business of banking, except to receive and safely keep moneys belonging to it, and deliver special deposits; and where the holder of such notes shall cause more than one to be protested on the same day, he shall not receive pay for more than one such protest.

Same

Sec. 35. In case any such banking company shall fail to pay and redeem its circulating notes on demand, in gold or silver coin, as specified in the next preceding section of this act, the auditor of state shall, within twenty days after he shall have received notice of such failure, cause the stocks pledged by such company, or so much thereof as may be necessary to redeem the outstanding circulating notes of such company, to be sold either at the stock exchange in the city of New York, after giving notice of such sale to such company, and also advertising the time and place of sale, with a pertinent description of the stocks to be offered for sale, in two or more newspapers

published in the city of New York, and in general circulation, for not less than ten consecutive days before the day of sale; or at the office of the auditor of state, in the city of Columbus, giving notice to said company, and also advertising in one or more newspapers, published and in general circulation in the city of Columbus, and one or more newspapers in general circulation in the county where the office of such failing company is situated, which advertisements shall, contain the same particulars as are required herein, where sales are to be made in the city of New York; and out of the proceeds of such sale, the auditor shall pay on the circulating notes of such bank, as the same may be presented, a ratable proportion of the proceeds of such sale, not exceeding the amount due on said notes; and due notice shall be given by the auditor, that said notes will be paid at the office of the auditor of state: Provided, that if any of the circulating notes of such failing company shall not be presented for redemption at the office of the auditor of state, until after the term of two years from the date of the first publication of the notice to the holders of such notes, to present the same at said auditor's office, the auditor may pay ratably, to the holders of the notes, previously presented, if such notes have not been previously paid in full, whatever of the proceeds of such sale, remaining in his hands, may be needed to fully discharge such notes so presented. Whenever default shall be made in the payment of the circulating notes of any banking company, established under the provisions of this act, every stockholder shall, for such notes be individually liable, in proportion to the stock held by such stockholder in such bank, to the extent and to the full amount of the respective shares of stock owned in such bank by such stockholder. Where a bank is owned by less than six stockholders, they shall be individually liable, as natural persons, for all debts and liabilities of such bank.

Same

Sec. 36. The auditor of state may, if he shall deem that the interests of the note holders of any insolvent banking company will be best promoted thereby, with the advice of the treasurer and secretary of state, hypothecate, or sell at private sale, any of the stocks transferred to and deposited with him by such company, to any other banking company, or to any individual person or firm, and receive therefor either money or the circulating notes of such failing company: Provided, that no such stock shall be sold, at private sale, at less than the par value thereof, nor at less than its selling price at the New York stock exchange, at the date of the last received information; nor shall any such stock be sold on credit.

Special agent to be appointed, &c.

Sec. 37. On receiving notice that any such banking company shall have committed an act of insolvency, as hereinbefore defined, the treasurer of state, the secretary of state, and the auditor of state, or a majority of them, shall appoint a special agent, who shall immediately proceed to ascertain whether such company has refused to pay its notes in gold and silver coin, when lawfully demanded, and report to the said treasurer, secretary and auditor, the facts so ascertained; and, if from the report so made, said treasurer, secretary

and auditor, or a majority of them, shall be satisfied that such company has suspended the payment of its circulating notes, when lawfully demanded, in gold and silver coin, they shall forthwith appoint a receiver or receivers, and require of him or them such bond and surety as they shall deem proper, who shall proceed to take possession of the books, records and assets, of every description of such company; collect all debts, dues and other claims belonging to such company; settle, with the approbation of an agent, to be appointed by the stockholders for the protection of their interests; compound for all bad and doubtful debts; sell all real and personal property of said company, and to pay over all moneys so made to the auditor of state; and the auditor of state shall cause notice to be given, by advertisement, in one or more newspapers published in the city of Columbus, and also in one or more newspapers in general circulation in the county where the office of such insolvent company shall be situated, for six consecutive months, calling on all persons who may have claims against such company, to make legal proof thereof; and after the end of one year from the first publication of such notice, the auditor, after full provision shall have been made for redeeming the circulating notes of such company, shall make a ratable dividend of the moneys so paid over to him, by such receiver or receivers, inclusive of moneys received by him, on sales of stock transferred to and deposited with him by such company, on all such claims as may have been so proved; and from time to time, as the proceeds of the assets of said company shall be paid over to him, the said auditor shall make further dividends, as aforesaid, on all claims previously proved, and the remainder, if anything, shall be paid over to him, the said auditor shall make further dividends, as aforesaid, on all claims previously proved, and the remainder, if anything, shall be paid over to the stockholders of the company, or their legal representatives, in proportion to the stock by them severally held; Provided, however, that if any banking company, against which proceedings have been instituted, as prescribed in this section, on account of any supposed act of insolvency, shall deny having committed such act, such company may apply to any court of competent jurisdiction, to enjoin further proceedings in the premises; and such court, after citing the treasurer, secretary and auditor of state, to show cause why further proceedings should not be enjoined, and after the finding of a jury that such company has not suspended the payment of its notes, when legally presented, in gold and silver coin, shall make an order, enjoining said treasurer, auditor, and secretary of state, and any receiver or receivers appointed by them, from all further proceedings on account of such supposed act of insolvency.

No dividends to be made when capital stock is diminished.

Fees for protests.

Stockholders shall not be liable to bank beyond two-fifths of capital stock.

How a company may diminish its circulation.

Damages for refusal to redeem notes.

List of shareholders and amount of stock to be kept and filed with recorder of county.

When banking company may commence business

Penalty for circulating unauthorized notes;

--And usury.

No bank to purchase its notes at a discount

Conflicting laws repealed.

Nov
13
1915

STATUTORY PROVISIONS OHIO GUARANTY PLAN OF BANK OBLIGATIONS
(Act of Feb. 24, 1847)

Assessments and Contributions in Bank Obligations

<u>Initial Contribution</u>	<u>Annual Assessment</u>	<u>Special Assessment</u>
Ten percent of amount of circulating notes, in money, stocks of the State, <i>at current value</i> of New York or of the United States. (Sec. 21)	Proportionate share, based on authorized circulation, of sum necessary to redeem the notes of a failing branch. <u>a/</u> (Sec. 26)

Statutory Limitations on Operations of Insured Banks

Responsibility of Directors and Stockholders:

Directors

In personal and individual capacity for all damages which the company, its shareholders or any other persons, body politic or corporate, shall have sustained in consequence of any violation of the act or provisions of charter knowingly permitted. (Sec. 66)

Stockholders

....

Limitations on Loans and Investments b/

<u>To officers and employees</u>	<u>To directors</u>	<u>To stock- holders</u>	<u>Maximum to single borrowers</u>	<u>Total loans and discounts</u>	<u>Maximum length of loans</u>
	Collectively one-fourth of capital stock paid-in and owned by directors. <u>c/</u> (Sec. 23)	Collectively one-third of capital stock paid-in and remaining. <u>c/</u> (Sec. 23)	One-tenth of authorized circulation. <u>d/</u> (Sec. 62)	...	To stockholders six months (Sec. 58)

a/ Branches to be remunerated for such contribution from safety fund as soon as money could be obtained by the sale or hypothecation of the stocks or other securities there in. No provision made for restoring safety fund to its former amount. (Sec. 26)

b/ No loans made on basis of own stock as security (Sec. 47).

c/ In case of directors, one-third and of stockholders, one-half of capital stock paid in, including liabilities, as drawers or indorsers of bona fide foreign bills of exchange, drawn in this State and payable out of this State.

d/ Inclusive of liabilities as acceptor or acceptors of bona fide bills of exchange, one-half of circulation, exclusive of liabilities as acceptor of above, one-fifth of circulation.

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STATUTORY PROVISIONS OHIO GUARANTY PLAN OF BANK OBLIGATIONS (continued)
(Act of Feb. 24, 1847)

Statutory Limitations on Operations of Insured Banks (cont.)

Limitations on Ownership of Property:

<u>Banking house and fixtures</u>	<u>Time limit on real estate acquired by collection of debt</u>	<u>Ownership of other real estate</u>	<u>Ownership of corporate stock</u>
Such as may be necessary to convenient transaction of its business. (Sec. 51)	No longer than necessary to avoid loss. (Sec. 51)	Forbidden (Sec. 51)	Forbidden, except to prevent loss on debt previously contracted. (Sec. 47)

Limitations on Circulation, Deposits and Borrowings:

Maximum
circulation

Specified rates--
to capital stock:
First \$100,000, twice
Second \$100,000 1 1/2
Third \$100,000 1 1/4
Fourth \$100,000, once
Additional, 3/4
(Sec. 19)

No specifications re maximum deposits, rate of
interest on deposits, or maximum borrowings.

No notes put into circulation if reserve impaired
for 12 days, or if falling below 20 percent at any
time. (Sec. 55)

Required Reserves:

<u>Total amount</u>	<u>Proportion of reserve required to be actual cash</u>	<u>Character of balance</u>
Thirty percent of outstanding notes of circulation, and current deposits. (Sec. 55)	One-half in gold and silver coin in its vault. (Sec. 55)	Actual deposits with any solvent bank or banker of established credit in cities New York, Boston, Philadelphia or Baltimore, subject to be drawn against at sight. (Sec. 55)

Limitations on Payment of Dividends:

<u>Percentage of earnings to be carried to surplus prior to dividends</u>	<u>If losses exceed un- divided prof- its, or in excess of net profits</u>	<u>If reserve is impaired</u>	<u>If capital is impaired</u>
	Forbidden. (Sec. 58)	Not to be paid if reserve falls below 20% of execution or below 30% for 12 days. (Sec. 55)	No dividends if losses equal or exceed undivided profits. (Sec. 55)

STATUTORY PROVISIONS OHIO GUARANTY PLAN OF BANK OBLIGATIONS (continued)
(Act of Feb. 24, 1847)

Character and Powers of Supervisory Authorities Over Insured Banks

Character of Supervisory Agency:

<u>Name of Board</u>	<u>Composition and method of appointment</u>
Board of control of the State Bank of Ohio. (Sec. 13)	One member appointed by each branch. (Sec. 13)

Opening of New Banks:

<u>Authority approving opening of new banks</u>	<u>Conditions to be taken into consideration in approval of charters or issue of certificates to begin business</u>
Board of control of State, Bank of Ohio a/. (Sec. 13,14)	Certificate may be refused if condition of newly formed company unsound; character of stockholders or directors, for responsibility and integrity, such as not to entitle such company to public confidence; if admission will jeopardize safety of other branches or of individuals who may deal with such company. (b/ (Sec. 11)

Examinations and reports:

<u>Number of required examinations each year</u>	<u>Additional examinations by supervisor</u>	<u>Minimum number of condition reports each year</u>
	Whenever and as often as they think proper. (Sec.140	As frequently as is deemed proper by board of control, (Sec. 14)

Character of Assets and Management:

<u>Circulation and liabilities</u>	<u>Other powers</u>
May require any branch to reduce circulation or other liabilities within limits necessary to secure from loss either dealers with such branch, or other branches. (Sec. 14)	May give orders to do or cease to do any thing which board of control may deem necessary for security of such branch or any other branch or branches. (Sec. 14)

a/ For first year after passage of act, Board of bank commissioners, composed of five persons named in the Act had sole power to approve organization of branches. Powers of Commissioners transferred to board of control by Act of Jan. 6, 1846, except that refusal of certificate to commence business by Board of Control might be overruled by the board of commissioners. (Sec. 5)

b/ Branches were also limited in number, not to exceed two in any county except Hamilton, in which not to exceed three. (Sec. 4)

c/ Cashier required to make four reports each year, two after payment of semi-annual dividends. No provision requires publication, however. (Sec. 57)

STATUTORY PROVISIONS OHIO GUARANTY PLAN OF BANK OBLIGATIONS (continued)
(Act of Feb. 24, 1847)

Character and Powers of Supervisory Authorities Over Insured Banks

Closing and Liquidation of Banks:

<u>Power to close for violation of law</u>	<u>Power to close for unsatisfact- ory condition</u>	<u>Definition of insolvency</u>	<u>Powers of liquidation</u>
1848-If any order of board of control not complied with, may apply to court for injunction to close branch.	If branch fails to pay notes in gold or silver coin. (Sec. 24)	If payment of notes of circulation refused in gold or silver coin. (Sec. 24)	Upon act of insolvency, or 1848 granting of injunction all property, etc., of branch is vested in board of control, which appoints receiver. (Sec. 25)

ALBERT L. BROWN

Executive

Accountant

From Appendix to Annual Report of Auditor of State; Series of Reports made on the Condition of the Ohio Stock Banks, as ascertained by Charles Reemelin, Esq., acting as special examiner under the appointment of the Auditor and Secretary of State (Ohio Documents, 1854, pp. 345-572)

XXV. MR. REEMELIN'S GENERAL REVIEW.

Dent, near Cincinnati, October 15, 1854.

Hon. Wm. D. Morgan, Auditor of State, Columbus, Ohio:

Sir:--I have, in pursuance of the appointment conferred upon me by yourself and the honorable Secretary of State, examined all the Banks named in your favor of the 27th of June last, except one--the Iron Bank of Ironton, which I shall visit as soon as the river opens--and have forwarded immediately succeeding each examination the special report for each, as required by law. As soon as I shall have examined the Ironton Bank, I shall transmit to you the report in that case. As that bank will not vary the general conclusions, you will now please to accept my general report herewith submitted.

I shall not discuss the general question of paper money banking except where it becomes unavoidable, but I may be permitted to remark once for all, that I regard all paper money as unconstitutional; and that in my humble opinion this seductive form of credit is the principal disturbing element in all our financial relations, and that it constitutes one of the two great social and political evils of this republic.

Hence, I suggest remedies from the fact of the existence of a paper currency among us, and not because I admit either the propriety or constitutionality of such a currency.

With these prefatory remarks I will at once enter into the subject matter of this report.

I. THE SAFETY OF THE BANKS EXAMINED.

Every dollar issued by them is more than amply secured. The stocks deposited for their security with the State Officers are worth 10 per cent. more than the actual circulation. And yet we should not suffer ourselves to be lulled into a false security, nor should we forget that the uninterrupted redemption is of the highest importance to every note-holder. Several of the banks have, presuming upon this ultimate safety (for which see the tabular statements annexed to each report) frequently permitted both their specie and eastern exchange to run down below legal and safe limits. Such a presumption, when it leads to carelessness, has a most mischievous tendency. It endangers the note-holder and throws discredit upon the whole system. The mere deposit of dollar for dollar in stocks, of which the interest accrues to the banks, is no plea for neglecting the other safe-guards required by law.

As to depositors, the question of safety is more intricate and more difficult to solve. There the money on hand deserves less consideration. There safety rests upon the bills receivable. Of the character of these, an examining agent has but little opportunity to judge, except from circumstantial evidence. If there are but few renewals, and the number of debtors be large, and the amount be well distributed amongst them, and they are all bona fide discounts for short dates, then this indebtedness to the banks may generally be regarded as good. It is well to inquire also whether the officers and stockholders are large borrowers; and whether the respective banks have favorites, who control a disproportionate share of its funds. The accounts with other Banks and Bankers, from the indefinite and extensive character which the latter word now has in Bank reports, are an item requiring careful scrutiny, as through it we may learn their "entangling alliances." Thus investigating the question and inquiring of the cashier as to the general character of the debts due,—and also specially into all matters bearing a suspicious character, I have passed upon this question and given my opinion in each special report. I regard the depositors in nearly all the Banks as safe; But it is due to truth to add, that in several of them they are in more or less danger. This does not affect such persons as are depositors and debtors at the same time, nor those favored depositors—quasi stockholders—who would doubtless be warned in time.

In connection with this matter, I must be pardoned for making the remark, that under the Stock Bank system, all those creditors which are not note-holders are necessarily placed at a disadvantage, because such banks must employ a disproportionately large share of their capital for the protection of their circulation. This produces a strain upon the deposits for all banking purposes, which disturbs the equilibrium of the operations. Very often the deposits are used to increase and to protect circulation, and that this weakens the security of the depositor needs no farther argument.

The safety of the stockholders must be judged by far different rules. A Bank unsafe to the public may be safe to the stockholders. This is the case where the latter owe as much or more than their stock; or where the stockholders of the Bank are also partners in a broker or banking firm, by which the funds of the Bank are absorbed; or where the funds of the Bank are made subservient to the interests of stockholders in other localities,—in all such instances, (and that there are such in Ohio you have learned from the special reports,) the stockholders are safe—the public not. There are also a few Banks where there are heavy well ascertained losses, and in these the stockholders are sufferers.

Acting on the foregoing premises, I have classified the Banks into three classes, referring you to the special reports for the special reasons in each case.

- No. 1. Safe and doing a legitimate business--
1. Franklin Bank of Zanesville.
 2. Bank of Geauga in Painesville.
 3. City Bank of Cleveland.

4. Bank of Commerce, Cleveland.
5. Mahoning County Bank at Youngstown.
6. Western Reserve Bank at Warren.

No. 2. Guilty of some one or other improper practice--

1. Champaign County Bank, at Urbana.
2. Commercial Bank, at Cincinnati.
3. Merchants' Bank, at Massillon.
4. Bank of Marion.
5. Franklin Bank of Portage County.
6. Pickaway County Bank, Circleville.
7. Springfield Bank.
8. Canal Bank of Cleveland.

No. 3. More or less liable to censure and loss--

1. Savings Bank of Cincinnati.
2. Stark County Bank, ~~of Sandusky~~ *at Canton*.
3. Union Bank of Sandusky.
4. Forest City Bank of Cleveland.
5. Sandusky City Bank.
6. City Bank of Cincinnati.
7. City Bank of Columbus.

The Miami Valley Bank at Dayton, and the Seneca County Bank, are not in active business. The Iron Bank of Ironton is not yet examined.

II. THE MANAGERS OF OUR BANKS, AND THEIR CHARACTER.

The person character of the officers and the stockholders of these Banks is intimately blended with their safety. A good system works badly in bad hands, and even a bad system might work well with good men. At the start, good intentions prevail as a general rule, and the directors pay strict attention to business. Gradually, however, the management passes into fewer, and in fact too often, into the hands of one man. Trade in money has its peculiar effect upon character, like all other occupations and avocations, from which effect only the most sterling men escape. Such men however exist. ~~Ma~~practices will grow as care and diligence slacken; so from neglect and undue anxiety to do business spring losses. This is the general feature of all banking,--it applies to Ohio. Much of the safety of banks lies in the unremitting attention of directors and stockholders to the affairs of the bank.

We have in Ohio, as elsewhere in corporations, too much of the all-prevailing control of one man. The boards of directors are generally mere cyphers. They, with some very honorable exceptions, meet seldom, and are, so far as the affairs of their banks are concerned, "know nothings." The Presidents, with one or two exceptions, pay some attention to business, but they are superficial observers of its operations, and they exercise but little control over the Cashiers. The latter officers are in fact the managers of our banks. They are all good accountants, and possess much mercantile and financial experience, and so far are well

fitted for their positions. Nearly all of them are anxious to have the reputation that they adhere to what they call "legitimate banking," and I will not gainsay but what most of them deserve such a reputation.

Too great an anxiety for large profits prevails amongst them, and this, once in a while, leads them into improper practices. Nearly all these gentlemen are citizens of this State, intimately connected with its prosperity through themselves and families. They have all the notions peculiar to their class, of the insuperable importance of their institutions to the community at large, and of the necessity of using the law making power through banks as a lever to prosperity. They desire, next to making good dividends, the prosperity of their neighborhood, and they are very often useful laborers in every thing calculated to advance its general welfare.

Most of them are timid, financially speaking,—but there are among them also, a few as bold spirits as ever dictated to States their bank policy. Unfortunately for our State, our bolder bankers are the chief agents in that policy which has deprived Ohio of a home currency, and which imposed upon it a depreciated currency standards. Herein the greater part, if not all, of our banks participated—many from timidity. From this, practices have sprung up approaching criminality, if not actually criminal, at which our banks connived, or which they at least did not expose and put down as they might have done. Latterly, however, a better and more independent spirit has prevailed. Otherwise, the officers of our banks deserve, with few exceptions, the public confidence. For the exceptions, I refer you to the special reports.

The prevailing system of book-keeping lacks, in many cases, perspicuity and uniformity. Too much is left to memory, and the books seldom convey within themselves, their own explanation. The discount registers are often defective. The books are frequently not fully posted up. Errors are carried along for months, and losses concealed beneath the fair looking accounts. In all, I found one or the other of these faults, in none all combined. The best set of books and the most perfect order and regularity I found in the Bank of Commerce in Cleveland. Our bank officers should ever remember, that in money dealings, order, promptness and regularity are the roads to profit, and that the banks which pursue the strictest path of duty are the soundest. All the injuries to banks, worth speaking of have sprung either from the carelessness, the fanciful speculations, or the improprieties of bank officers. No bank ever yet broke, but what was actually broken from causes within herself.

During the examinations, I have devoted much attention to the character of our bank managers, and must here repeat my earnest warning against a farther uncontrolled buying and selling of chartered privileges. Bank managers may thus slip out of difficulties, and by concealing the change, abuse public confidence. I must also regard as most reprehensible, the modus operandi employed by the Miami Valley Bank at Dayton, and the Seneca County Bank at Tiffin, by which their chartered privileges were placed in abeyance in the hands of their principal stockholders—brokers, who used the circulation and enjoyed all the advantageous part of the

charter, but escaped all the legal restraints, especially as to interest. I think it ~~is~~ a grave error in our bank legislation, that proper safeguards are not provided against irresponsible stockholders. Every change in stockholders should be publicly known; then, as one set of men would leave, the public would be put upon its guard. With this purpose in my eye, I have reported all the stockholders in the respective banks. A mere sale of the franchise should be prohibited altogether. I would also, in concluding this subject, state the general fact that but few of our bank officers give bond and security. Why this old practice has been abandoned in Ohio, I am not informed.

III. THE PROFITS OF BANKS.

The banks examined, make their profits from three sources, viz:

1. The interest of the stocks deposited.
2. The interest derived from both bill and note discounting.
3. The premiums and profits from Eastern exchange.

Upon the first point but little need be said. It is well, however, always to remember that while the stocks are deposited with the State, their productiveness to the holders is not diminished, and that the power to have a circulation upon them is an additional privilege conferred by the State upon its creditors,—facts which these bondholders would do well to remember, who accuse the State of a violation of plighted faith for taxing these stocks, while they quickly protect the 5 to 10 per cent. additional value which the above privilege imparts to them.

The profits arising from the second item are also well understood. They do not constitute more than three-fifths of bank profit.

The chief profit is the premium realized from Eastern exchange, over and above the legal interest. This subject has the most important bearing upon our banks and all their operations, because unfortunately the laws give to it an extraneous importance far beyond the preceding causes, and hence it has become the key to the bank question.

New York is the great centre of moneyed affairs in the United States. Ohio there buys the greater part of all it needs from abroad—and there the settlement of balances is ultimately made for both our exports and imports. Little specie is used in these settlements. Ohio labor produces, and has always produced enough to pay all its needs from abroad. Eastern exchange arises from this labor through drafts and bills drawn by Ohio traders upon products either shipped, or to be shipped East. These drafts or bills are discounted at our banks and bankers, and at the time of the discount, simple interest is charged for the time they have to run. They cost little or nothing to transmit and collect them East. When matured, our banks and bankers draw against them, and being more convenient and less liable to risk than specie, command properly a small premium. At Cincinnati and Cleveland, there is much transient exchange which is purchased in market, and from which very considerable profits are realized. These premiums and profits are (from an eighth to

a quarter per cent.,) the result to be expected from legitimate causes. But our brokers and bankers are adroitly playing into the hands of Eastern brokers and bankers--often they are the same persons--and they have succeeded in making New York, Boston and Philadelphia, which have always adhered very near to the specie standard, the moneyed regulators, to a far greater extent than the real facts would justify. This undue advantage has been aggravated by mischievous Ohio legislation, which makes Eastern indebtedness to Ohio, the basis of Ohio paper money, and hence the currency standard, and at the same time authorized larger profits from such discounts than from loans. This produces certain financial peculiarities which it is well to notice. The first is that those borrowers of a bank who offer the bank the better investment, are actually made to pay a higher profit for the use of money, than those who offer the ~~business~~ less. The Eastern trader is deprived of a portion of the natural profits of the business. The premium from the exchange he creates, the banks and bankers take as a matter of course. The majority of these Eastern bills are sixty day drafts. We have seen that the bank charges for these, regular interest in advance, being equal to seven per cent., and in addition they receive on maturity the current rate of exchange, which for the last nine months past has never ranged less than one per cent. Consequently, the banks have made on such bills, thirteen per cent. per annum at least--and in all cases where the rate has been one-half per cent. they have made 16, and this has latterly been the ruling rate. With a thirty day bill, or one having still less time to run, the interest made is still higher,--being not less than 25 per cent. and as high as 30 per cent. There is not a bank nor a broker in the State that has not discounted some ~~bills~~ such bills, and made the profits indicated, and according to my construction of the law, all have violated the act "to restrain banks from taking usury." Whether all the banks of the State, or what portion of them is liable to the provisions of this act, I will not undertake to say. The branches of the State Bank, and the independent banks organized as they are under one act, will plead an exemption from the above restraining act, but I doubt the success of such a plea in a court of justice. I may as well however here remark, that one of the independent banks, and also one of the free banks (see special reports) have violated their own charter in this particular, by charging and receiving a discount in addition to regular interest. This whole matter may be easily tested by some prosecuting attorney bringing suit for the usurious interest provided by statute. I would earnestly recommend such a course at the earliest possible date.

The other profits from eastern exchange business arises from buying and selling transient eastern drafts. One fourth per cent. is made in every such transaction, and it frequently happens that the bill is sold on the same day as purchased. If the capital employed in such business be turned once a week it amounts to a profit of 13 per cent. per annum, if twice, to twenty-six, and if every day to seventy-five. That many exchange discounts and purchases, are kiting operations by mutual tacit agreement, where no funds are East, nor expected to be there, and that many such are paid at the counter, and exchange added, I strongly suspect, but have no certain knowledge except where reported.

Another peculiarity springing from our eastern exchange policy, lies in the fact, that in pursuance of it, Ohio is constantly loaning to New York about two millions of dollars; for that amount is according to the last quarterly bank report due to our Banks in the east. The reverse would be the more natural position. This amount is loaned to New York, in part without interest, and in part, at low rates of interest. To put that self-same indebtedness there, costs our citizens from 10 to 25 per cent.

Another grievous evil springs from this policy; it is the gradual extinction of all home discounting, and the absorption of nearly all bank capital in bill discounting. By reference to the tabular statements, you will find that ten millions of the bank discounts are for bills, and only four millions for notes. Note discounting was driven to the brokers, because they were allowed to charge ten per cent. A still greater injury of this policy, arises from the fact that in consequence of it, all reliable currency standard was obliterated. Eastern exchange left fluctuating to every financial trick, was made the standard! No wonder that adroit bank managers should use so fair an opportunity for forcing upon us a depreciated currency, and as a natural result high exchange, and a constant run upon our banks. I reserve further remarks upon this for the succeeding chapter.

I cannot conclude the subject of bank profits, without advert-
ing to a subject, which some may deem not within the range of the duties of an examining agent, but which nevertheless in my humble opinion has had any unmistakeable influence upon our whole bank policy. I allude to the notorious ten per cent. interest law.

During the examinations, it became early evident to me, that the existence of two rates of interest had a most significant effect upon all banking operations. Formerly, banks and bankers were content with seven to eight per cent. dividends. Now they complain of any less rate than ten per cent. Cashiers hear this, and fearing a stampede of their stockholders into private banking, strain every nerve to come up to the coveted ten per cent. Hence, profits were divided closer than safe banking would justify: hence, we find no contingent fund in our banks,-- and ~~the operations of the banks were for~~ hence, too, are well known losses carried forward, instead of being wiped out. All the operations of the banks were forced into the more profitable position of bank operations. Many of the banks ceased in a great measure to discount home paper, and this, along with the tempting ten per cent., fostered into existence all over the State, private Bankers and Brokers, of but little real capital. These offered six per cent. and more interest for deposits, and banked upon them. They also entered the exchange market, and operated without restraint as to discount or premium. All this deranged regular banking operations. The light-footed brokers soon ruled the banks, which were cumbered by the restraints of law. The first named regulated our exchange,--forced a depreciated currency upon us. Many of the bank managers became interested in broker establishments, and many brokers in Banks, both in and out of this State; and the people were given over to a policy, in which at every turn they were shaved, and from which they saw no relief. What was paid to the depositors, was doubly

lost in discounts and exchange. Having two rates of interest, produced some very curious results. In a certain locality (for which see special reports,) a few men organized as a bank on one side of the street, and were confined to six per cent.—and the same men, as a broker partnership on the other side of the street, were allowed to charge ten per cent.—both dealing with the self same money. In Cincinnati, the managers of a foreign bank were loaning the notes of that bank at ten per cent., while the Ohio banks who circulated the same notes by arrangement, and were furnishing eastern exchange for it, could not legally charge more than six per cent. And again—a certain bank on the lake could not charge more than six per cent for its loans,—but when it sent its capital, improperly and in violation of law, to a broker's firm in Cincinnati, who were its stockholders, ten per cent. could be charged for the same money. Such absurdities and gross improprieties occur, when the law-giver first violates equality by granting special privileges; and, when looking through his false optics, he attempts to patch up the created inequality.

In other parts of this report, I shall have occasion to again speak upon this and kindred matters, and will close with this single remark, that a careful and dispassionate examination of the special reports must satisfy every reasonable mind that all well conducted banks now make, in spite of the much complained of taxes, more, or at least as much profit as they every did. In every case where profits or dividends have been lessened, the cause will be found to lay in some loss brought upon the bank by its own act and volition.

IV. THE COST OF BANKS AND PAPER MONEY.

This item is, in my humble opinion, one of more importance than is generally believed. Banks are public corporations (as yet at least, though not necessarily so,) to whom the most important powers are entrusted. Hitherto, the power to create a currency has been deemed one of the most subtle Government functions, and such is in fact the theory upon which our bank laws are passed. Banking thus being a matter of government, it is well to inquire into its cost, just as much so as in any other governmental department. The mere item of expense for Bank officers is proper in such a calculation. There are sixty-two Banks in our State, each of which costs on an average for various expenses, \$2,000—\$124,000. This amount is not too large for the amount of labor performed. Very few of our bank officers receive any more pay, when compared with other similar occupations, than they actually earn. The mere clerks are in fact paid too little. The political bearing of the patronage, which is thus enjoyed by these moneyed corporations is about as large as that of our entire State government. This government patronage excites much public attention. Why not that of corporations, which in Ohio, is ten-fold that of the State? While these corporate bodies are political bodies,—all of them entrusted with some public functions, which in other countries are performed by government, and while our corporation policy is more or less an unsettled public question,—it is well to ascertain their cost and the amount of power they wield. I would suggest with this view, either the passage of a law requiring all corporations, including Banks, to report once a year their general condition and expenses; and a discontinuance for two years of such report to be considered a non user or forfeiture of all chartered rights.

The amount of profits made by our banks is also an item of cost well worthy of public consideration. They cannot fall much short of an average of ten per cent., which on a capital of a little over six millions is at least \$600,000. Very nearly half of this is the result of the chartered privilege; as six per cent. is the standard of bank interest.

There are in the State not less than one hundred broker shops and private banking houses, whose cost cannot be much less than \$150,000, for officers and similar expenses. This kind of private banking is inseparable from paper money. While we have government, we must have politicians; and while we have paper money banks, we must have brokers. Politicians are useful so long as they agitate for the public, political questions. In a similar way, brokers are useful in banking matters--the only danger from either is, when the first rule/State, or the latter rule the banks.

The foregoing items are however but the smaller portion of the cost of Banks, and it may perhaps be impossible to have our monetary affairs conducted under any less expensive system. Then only will they be conducted cheaper, when we shall have no system at all, and when each man having money to lend will be his own banker. The greatest cost of paper money banking arises from the use of a paper currency. The more depreciated this currency is, the greater the cost; the nearer specie, the less. The large eastern cities are the currency standard for the United States. That standard may in general be assumed to be from one-fourth to one-half per cent. below the actual specie standard,--this depreciation being concealed beneath the premium paid for European exchange. Our Ohio currency should at least not be below the New York standard, except so far as may be unavoidable from causes inherent in any paper currency,--and eastern exchange should never exceed in Ohio one-fourth per cent., that being about the expense of transporting specie east. All above that must be charged to the use of a depreciated currency. How much that amounts to cannot be calculated very closely. Having examined only twenty-four of the sixty-two banks in the State, and much exchange being sold by brokers, actual calculation was not within my reach. I have endeavored to arrive at it by two modes, each producing the same amount. The first was to ascertain the profit made by Banks upon eastern exchange, which I estimated at \$240,000; of which I charged \$200,000 to the use of a depreciated currency. I then calculated the profits made by brokers on exchange, which I estimated at an amount equal to that made by the banks--leaving also \$200,000 to be charged to a depreciated currency standard--making \$400,000 in all.

That I have not over calculated this amount, may be learned from a fact of which I was credibly informed,--that one of our bank managers, who has an outside broker business, and who used an Indiana bank as a part of his operations, made \$47,000 in one year out of that foreign bank. Another method was to take as correct the estimate made by others of the amount of business done and exchange sold annually, at forty millions--for every dollar of which one per cent. more is paid than would be under a currency standard, making also \$400,000. I think this amount, then, is not far from the truth.

How much is lost in Ohio annually from the shaving of bank notes and getting them redeemed, I can but guess at; I think it will, for 1854, not fall short of \$100,000.

The loss by broken or suspended banks must also be more or less conjectural. I cannot estimate it for Ohio in 1854, at much less than \$250,000.

By way of recapitulation, we may then put down as what may be called the legitimate expenses of banks:—

For officers and incidental expenses	\$124,000
Six per cent. profit from the banking capital employed	360,000
Officers and incidental expenses of broker establishments	150,000
	<hr/>
	\$634,000

Illegitimate Cost.

Extra premium paid for eastern exchange	\$400,000
Shaving bank notes	100,000
Loss by broken banks	250,000
	<hr/>
	\$750,000

Total cost of our banking system for one year	<hr/>
	\$1,384,000

Of this, full one-half might be saved by returning and adhering to the specie standard.

V. THE USE OF BANKS.

It is claimed—1st, that our banks furnish us with a good currency; 2d, that they regulate trade; 3d, that they furnish us with capital;—to all of which I most respectfully demur.

That our banks did not furnish Ohio with a good home currency, is beyond all dispute; that they failed to regulate exchanges, is equally clear; and that all the capital they lend to our people is but the capital they borrowed from the same people, is easily demonstrated. Banks do not create values; hence they could not redeem their vaunted pledges, because all their creations of money or capital are but financial illusions. The bank managers feel these their miserable failures, but instead of abandoning their principal financial errors, they persist in them; and rather than search for the real cause within themselves, they charge our moneyed troubles upon our law makers, and what they please to call "the anti-bank policy." Let us see with what justice.

The assertion is very often made, that "there is not banking capital enough authorized by our laws."

In 1844 and 1845, one of the, if not the ablest banker in this State drafted the system of banking which may be found in the law "to in-

corporate the StateBank of Ohio and other banking companies." In that law, the maximum of bank capital fixed for Ohio up to 1865, for both the so-called State Bank and Branches and the independent banks, was \$6,150,000.

Several additional, then existing, banks were re-organized by that law, whose acceptance of the law might have swelled the capital to \$8,000,000. None then dreamed of any necessity for a larger bank capital than this--a great many supposed it to be too great.

Of the capital authorized by that law--

The State Bank and branches have taken up	\$4,059,675
The independent banks	558,000
Total	<u>\$4,617,675</u>

None of the specially recognized banks, antecedent to 1845, could (I take it for granted) now avail themselves of the grants of that law, nor could new banks be organized under it. But any of the present branches of the State Bank, or any of the independent banks, might (at least I have not seen it questioned,) absorb the capital not yet taken up in the respective districts. This unabsorbed capital is about \$2,000,000.

In addition to the law of 1845, we have the free bank law, under which thirteen banks have organized with a capital of \$805,790. The Attorney General has, in 1852, given it as his opinion that no new banks can be established under that act, under the new constitution--an opinion the correctness of which all admit. But that officer has not decided, nor has any legal authority held as yet, that there is any bar to the further increase of the capital of banks already organized, to the limit fixed for them by that law. That limit is \$500,000 for each, or a total of \$6,500,000 of bank capital--leaving an unabsorbed bank capital under the free bank law of

	\$5,694,210
Add to this that not taken up under the law of 1845	2,000,000
And it leaves an unabsorbed banking capital of	\$7,694,210
Add to this the capital of existing banks issuing paper	5,423,465
Making a total of paper money bank capital now authorized by law, of	<u>\$13,117,675</u>

This is exclusive of the Ohio Life Insurance and Trust Company, whose powers to introduce capital into the State are well known to be very extensive. Nor does this include any of the banks about to expire.

The amount of circulation capable of being issued under this capital and the law, cannot be short of twenty millions--in fact, it could be forced to twenty-five millions. The banks now organized under the free bank law alone, if they had their full capital, (six and a half millions,) might issue three times that amount, being nineteen and a half millions.

Cincinnati has been singled out as the place where it is said the State has not provided banking capital and circulation enough. And yet, when we examine the matter, we will find that this is a grievous error. Leaving the Trust Company out of the question, and there are in Cincinnati three banks, the Commercial Bank, City Bank, and a branch of the State Bank, organized under the law of 1845, which three banks might have a capital of \$1,200,000; and leaving the branch bank out of the question, then each of the independent banks might have a capital of \$500,000, or a total of \$1,000,000

The Savings Bank (free bank) might also increase her capital to

500,000

Making a total capital of

\$1,500,000

Upon this a circulation of four and a half millions might be had. This is outside of the branch of the State Bank. Want of capital, nor opportunity to maintain such a circulation, cannot be plead, because the following Indiana circulation was maintained chiefly from Cincinnati capital:

Connersville Bank	B. F. Sanford	\$834,875
Steuben County Bank	S. W. Torrey & Co.	150,000
New York & Virginia State Stock Bank	Atwood, Dunlevy & Co.	236,000
Kentucky Trust Company	B. F. Sanford	1,000,000
Branch of the State Bank, Lawrenceburg	S. W. Torrey & Co.	not known
		<u>\$2,220,875</u>

This is in addition to the Ohio circulation.

The Commercial Bank protected for some time a large Tennessee circulation, and all the Cincinnati banks and brokers aided in the circulation of foreign notes; and the same money that maintained a foreign, would have maintained a home circulation. The same may be said of other places in Ohio, whose bankers started foreign banks.

The Central Bank at Indianapolis, (Judge Bowen,)	circulated	\$323,000
" Upper Wabash Bank, (Marfield, of Circleville)	"	195,000
" Wayne Bank at Richmond, (Beckel, of Dayton,)	"	100,000
" North Western Bank, (Tallmadge, of Lancaster,)	"	300,000

There were also various Illinois and even more distant banks used for circulation, for which Ohio capital and exchange was the basis--showing the capacity of Ohio capital and means to maintain a full circulation. That this circulation was not Ohio paper, lies not in a want of authority to circulate--nor is there too little capital in the State. It must be sought in other reasons. Before examining these, it may be well, however, not to leave one point unobserved, and that is, that at no time since 1845, has all the capital authorized by law been taken up; showing conclusively that Ohio legislation, whatever faults may properly be laid at its door, cannot be charged with not authorizing banks enough, both in number and capital.

The banks and their friends say that the reason why the capital and circulation authorized by Ohio laws was not made available, arises from the fear of our general tax laws. I do not doubt the sincerity of those who put forth this plea, but I deny its correctness to the extent claimed. Banks are proverbial for having ready at all times some scape goat, upon which, in a financial crisis, they heap their anathemas. Let us, however, dissect this matter coolly for ourselves, and we will find that it is not taxation, but causes inherent in our kind of paper banking, which has induced Ohio banks to pass by disdainfully the plentiful supply of bank capital tendered by Ohio laws.

The complaint of a want of bank capital is an old one. It existed under legislatures favorable to banks, as well as under such as were deemed hostile to them; and as we have seen, it always existed without foundation. Ohio law-makers never yet could suit the fastidious taste of our bankers. The complaint was as loud before the new Constitution and our present tax law, as it is now. And it will exist—not until the tax law is repealed, for repeal that to-morrow and it would produce no change—but until Ohio bankers return and inflexibly adhere to the specie standard. You will ask what that has to do with the question? Much, as I will show.

It is said Ohio needs twenty millions of a circulation, of either Ohio or foreign bank notes. Admitting this exaggerated demand for paper money, for argument sake, and we may safely go farther for the same purpose, and claim that that amount was circulated in Ohio during last summer, for never were our currency manufacturers and borrowers busier than lately. Ohio bank notes alone were neglected. Indiana, Illinois, Kentucky, Virginia, Michigan, etc., etc., were ransacked for banks when established, with a view to borrow circulation of them; or ~~sacked for~~ where practicable, to establish new banks. And yet money never was scarcer; and not only money—Eastern exchange still more so. Ohio borrowed, and borrowed every body's credit, and called it money—and the more she borrowed the less real money she had. Certain Ohio bankers, connected as they were with foreign banks, played adroitly upon this borrowing propensity, and the rest of them lacked either the courage to resist it, or the good sense to perceive its tendency. At last, as October came, light began to dawn, and now it was all at once seen by a few bankers, that instead of having money loaned to us we have been borrowed from, and that in a common sense view, it after all made but little difference whether a bank note was issued by Ohio bankers on one side of the State line or the other. By reference to the special reports you can easily find to which category each Ohio bank belonged. At any rate, it was through them that foreign bank notes were circulated among us. The brokers aided it, and many of them became the worst species of banks of issue. Thus, a depreciated currency standard was imposed upon Ohio—as the currency fell, Eastern exchange rose; and as exchange rose, there came most inevitably a rush for the redemption of such Ohio paper ~~was~~ was easily accessible, and which therefore was constantly presented for redemption. The exchange thus drawn from Ohio supplied new foreign issues, and through them a draft upon Ohio was most constantly kept up by brokers, who were playing into the hands of those half Ohio and half Indiana bankers. Ohio paper had therefore to be redeemed five or six times and oftener a year, in Eastern

exchange. Each redemption cost at least one per cent., and hence Ohio circulation cost some six to ten per cent. annually to maintain it. This cost, and not the tax, is, and has been, the great obstacle to Ohio circulation. With a specie standard in Ohio, all this would have been impossible.

To avoid this constant draft upon them, banks resorted to those pitiable shifts, so to pay out their own paper as to drive it from the very homes for which the bank was established. Instead of their own paper, they circulated about home foreign paper. A reference to the special reports presents the sad proof of all this. The connivance or the timidity of Ohio banks gave us a foreign currency. The tax law makers are innocent of this injury. Let us illustrate this matter farther. The highest tax to which any bank was subjected in the State was one and three-fourths per cent. This tax is not equal to two redemptions in a year, which would have cost two per cent. Now there is not a banker in Ohio, or elsewhere, that will not circulate freely his own paper, if he can be sure that it will not return under three months; or in other words, if his circulation does not cost him over four per cent. per annum. How absurd, if not wicked, is it then to assert that a one and three-fourths per cent. tax is the obstacle to a circulation, when they know that it is the cost of the circulation, as above explained. They are perfectly willing to pay double the tax, in the cost of exchange, for their circulation. Exchange at one-half per cent., with a tax of two per cent., and three redemptions a year, is cheaper to the banks than no tax and six redemptions a year, and exchange at one per cent. With a specie standard, a circulation would cost Ohio banks, including the tax, only about three per cent.—with a depreciated currency it costs six to ten per cent. All banks are willing to pay four per cent. or more for deposits, or any other capital left with them over ninety days. Why should they not use their circulation, (and what is a circulation, otherwise, than a loan of capital,) if it cost them no more? I have shown whence the increased expense arises, and therefore demonstrated the real cause of the difficulties in the way of Ohio bank capital and circulation.

You may ask, if this be true, why did not the banks see it, they being generally so alive to their interests? I answer, some of those who understood the game did not wish to see it, and the others were silent followers for reasons already indicated. It is an astonishing fact, that while our bankers are good and intelligent business men, they are usually the blindest of the blind upon questions requiring a train of reasoning different from that they are used to. They ever confound debt for capital, borrowing for loaning, and like every body else, they prefer that mode of relief best which they are used to. A bank is but a borrowing establishment, and hence it is natural that banks should see no wrong in a system so completely in accordance with their views. Ohio bankers have, like all other bankers, a most pernicious hankering for always circulating among the people that currency which the people have the least chance to get redeemed; and they seem to regard it as a part of their "esprit du corps" to drive all bank notes as far as possible from home. They like an irredeemable currency. To this we find the natural antagonism of constant habit, acquired by interest, for the people have a leaning towards a different result.

Another propensity, one always in the way of bank reform from within the banks, is the blind fatuity with which bankers will repeat those clap-trap terms which any of the great bank oracles may put forth upon the difficulties of the hour. An aversion to think and act for themselves, and a fear to stand alone amidst their class, must not be omitted in contemplating the uniformity with which the tax law is held up by banks as the scape goat of all our financial troubles. Nor can I help being persuaded that interest also blinds their better judgment. The sequel will prove that their present tax policy is a most unwise one.

They tell us what we already know, that taxes are enormously high! Will not taxing Banks, lessen their aggregate amount? And if not, is it any relief to Ohio capital to exempt one and not all? Show us the way to get the taxes themselves down, but do not blame a mere law, which regulates the manner of taxation, for the tax itself. If high taxes drive out one species of capital, it will surely drive out all others, because as one leaves the rest are only burthened the heavier. Those last left must eventually begin the only real remedy—they must reduce the tax, and cease talking about the tax law, which really has little to do with it. If herein lies the eventual remedy, why not all unite in it before any of us leave? The twenty-five millions of acres of excellent land in our State will always remain, and I rather guess, they will always be populated. That population pays the taxes, and that population, Bankers included, may and should see that taxes are lowered. The necessities of a young people account for some of our taxes—the carelessness of our people to watch and check their local governments properly, accounts for more. We want the bankers far more to help us all to get an economical government, than we want the taxes they will have to pay. We want their help in the present heavy burthens, and they ought to share them; but we particularly want them in our efforts to reform. With their aid, they must be successful. The banks have overrated not only the present taxation, but also its future exaction. They are the allies of those elements laboring for tax exemptions and a reduced duplicate. It cannot take much reflection to convince them, and every body, that equal and exact justice is the best and safest rule for them and for all. Nor can it be wise to rely upon the special tax clauses in their charters. The guarantee of a constitution, backed by a wise judicial decision, in favor of equal taxation, is a safer anchorage than all their charters. Let arbitrary taxation be banished from Ohio, and let the banks share so great a boon. I think the time propitious for a mutual good understanding upon this matter. Let the banks each and all scan closely their acts for a twelve month, and I am sure they will find acts whose penalties they know best. Let them ponder upon and ~~they will find acts whose penalties they know~~ complain, with justice, of the fact of two rates of interest in the same State. The State cannot in honor recede from its tax law—it is a question of sovereignty. The banks may acquiesce, saving all the principles they contend for. I am sure, if they will but codly examine and reflect upon the matter, they will see that the high taxes impede all business, theirs included; but theirs no more than others. The good will of the community is worth to them more than they suppose.

The truth is, the laws of the State are not in the way of successful banking. Let Ohio pass what laws it pleases, remove to-morrow the last vestige of either law or other restraint, and as long as banks favor influences which impose upon Ohio a depreciated currency, just so long will we have the worst of banking. But let the banks of Ohio do their duty, let them be faithful to their part of the so called contract, let them elevate the currency standard, making it at least equal to the States east of us, and Ohio will cease to be the plunder ground of foreign trash. Such an effort is feasible—not only feasible, it must be made and succeed, or else the indignation of a free people will sweep away the faithless institutions who misuse the powers conferred upon them. A few good bankers I know, see this in its true light; may they very soon impress their sound views upon their brethren.

To return to the question involved in the heading of this article, we may say that our banks have been of but little use to us in giving Ohio a home currency, ~~at fair exchange~~ or exchange at fair rates. What use then are banks? Their chief, and in fact their only use in the present state of business in Ohio, is in furnishing a gathering place where surpluses may be deposited, to be loaned to such as need temporary accommodations. It is important that our people, our law-makers, and our banks, should know and act upon this self-evident truth. The capital of the citizens, and not that of our banks, has for months done the business of Ohio, and it does not require one dollar of mis-called foreign capital to do our business. The worst borrowing is when we borrow other people's credit; and that alone do we borrow by the usual process employed through banks. This we must quit at all and every hazard. We want banks where men may meet month after month, and day after day, as debtors one day and creditors perhaps a few weeks after. We want depositories for temporary surpluses, and to supply temporary wants. Very little of Ohio bank capital is now owned abroad. It might all be owned at home. Ohio now loans unnecessarily to New York and the East, two millions of dollars through exchange. Let that necessity be done away with. Every day adds to our wealth as a people. Why then be tributaries to a false system based upon a false theory. That I am right in claiming for Ohio a sufficiency of capital, I submit the following data:

The banking capital of Ohio (already accepted in Ohio) is	\$6,000,000
The discounts from this capital are	<u>14,500,000</u>
Showing a surplus of discount over capital	8,500,000
Whence does this arise? It arises from the deposits which amount to	<u>6,200,000</u>
And so much of the little Ohio circulation as remains after supplying the specie and exchange required by law, say	<u>\$2,300,000</u>

All this is Ohio capital. With brokers and private bankers this illustration is still more true. Their loans are entirely the result of deposits. I look upon it as the most deceptive perversion of language, to call it lending us money, when a banker, by circulating his shinplasters among us, absorbs our exchange, or when a bank gets the deposits of a town on the Lake, and lends it (without interest) to a broker in Cincinnati.

And less yet is it furnishing us with capital, when an Eastern banker or broker takes stock in one of our banks, with an understanding that an amount larger than his stock is to be kept on deposit with him. Such lenders are but borrowers, and the less we have to do with them the better. Those terms which we hear so often, "more banking capital," "more currency," and "relief to the business community" are mere flash phrases of the trade. They should deceive no body any longer. Capital comes from honest labor and not from financiering,—currency is a curse when not based on specie; and relief never comes by borrowing when we are in a financial crisis—it comes either by paying or by wiping out. The use of a bank consists in its being the hand-maid of commerce, and it mistakes its vocation when it regulates trade. Industry creates capital, commerce circulates it, and banks are properly a part of the machinery of commerce, and not its masters. When banks get above and beyond this their proper sphere, they become unsafe and enormously expensive.

That credit will always exist in some easily portable and negotiable form, I know; and I am equally aware that commerce needs some such lighter forms of credit, but they should arise with the temporary demand, and expire after the occasion has passed which called them forth. Banks can aid by being the places through which balances are settled, and so far they are commercial conveniences. Commercial and financial derangements must however always be expected in a country where there is so much to tempt to commercial activity, and so little to restrain speculation. I think these revulsions would be lessened and more short-lived, if we would not attempt to regulate what is better left to itself.

VI. REMEDIES.

I am fully convinced that we may, under the existing bank laws of Ohio, have good banks as the phrase goes, and as many as we need, if the bankers themselves will it; and I know equally well that good banks are never made by mere banking systems—hence I reluctantly suggest any remedies. It is claimed that our people are not ready for those efficient radical measures, which would take banking out of politics, and make it what it should be, a business of every day life like all other business, at least I deem their advocacy in this report unnecessary—but until we are ready to adopt them, we should continue to amend the bank laws we have, so as to render them as nearly perfect as the nature of circumstances will admit of. With this view I would recommend as follows:

1st. That more stringent laws should be passed against the neglect of having the requisite amount of specie.

2d. That no bank pay out at its own counter any thing, but its own notes or specie, and that all notes below twenty dollars be abolished.

3d. That no non-resident of Ohio be permitted to hold any stock in any bank in Ohio.

4th. That no Ohio stockholder be permitted to be a stockholder, officer, or agent in any other bank in or out of this State.

5th. That the provisions against excessive borrowing of directors and stockholders be more clearly defined.

6th. That the provisions against too large an amount of indebtedness from any one firm, should be held to include banks and bankers.

7th. That the system of book-keeping, especially the naming of accounts, be rendered more perspicuous, and proper penalties fixed for failing to post the books regularly each day.

8th. That weekly statements be made out by the banks, and copies thereof sent to the Auditor, subject to publication through the press. These statements should give the name of every private or public bank to whom or from whom balances are due, and there should be heavy penalties against deceitful reports. No ephemeral values, nor any ascertained losses should remain on the asset side.

9th. That regular meetings of the directors be held each week, and their attention to business secured by suitable liabilities for all losses resulting from their neglect.

10th. That every officer entrusted with funds by a bank should give full security.

11th. I unhesitatingly recommend that the maximum rate of Eastern exchange be fixed by law at one-quarter per cent., and that all laws which make Eastern exchange the basis of circulation be repealed.

12th. That there be but one legal rate of interest for both banks and the community at large.

These remedies are suggested, not as panaceas for the evils springing from banking, but as practical amendments of our bank law, and I think they would to some extent prove safe guards against some of the defects in the banks examined by me, and which I have noted in my reports. The reasons for them may be found in the preceding pages, and I trust they will meet with favor from those who have the power to enforce them.

I have no special banking system to write up, nor do I feel any inclination to write any one in particular down. All banks are good, financially speaking, which have actual capital and sensible and honest men to manage them. The first cannot be supplied by the most adroit borrowing; nor will the kind of men just named stay in a bank which has no actual capital. The severest trials a bank officer has to undergo, are the peculiar temptations of his business. Against these, vigilant directors and stockholders are the best remedy.

It may surprise some that I recommend the fixing by law of the maximum rate of Eastern exchange. And yet every reason which can be given for fixing the rate of interest for banks, is still stronger for fixing the rate of exchange, and I am sure no less positive law will secure and preserve to Ohio a paper currency based upon the specie standard. No

one is more fully convinced than the writer of this, that natural laws are the best regulators, and that in fact they eventually enforce their decrees by bitter experience, upon those who violate them. But it is also true, that where legislators invade these "higher laws," they must even patch up their errors as best they may. Our law-makers have committed two great errors; they have authorized a fluctuating paper currency, based upon Eastern exchange; and have established two rates of interest within the same State. My suggestions are based upon the facts around me, and in my opinion it is wrong to allow the same persons who give us our supply of currency, also to fix the rate of exchange. This is handing our business men over to them for the grossest spoliation.

In conclusion, I would beg your indulgence if I have devoted more space to my report than may be justifiable. Accept for yourself and the Hon. Secretary of State, my most respectful thanks for the confidence placed in me. I fear that I have not fully met your expectations, but I assure you that I have honestly endeavored to examine strictly, and report truthfully.

I remain, with high regard,

Most respectfully yours,

CHARLES REEMELIN.

Excerpts from Ohio documents relative to banking

From Third Annual Report of the Bank Commissioners, December 17, 1842, pp. 8-16.

A very limited review of the past is sufficient to convince any one that banking, if continued by further legislative enactments, should be placed on a basis affording greater security to the public. To effect this security, a radical change in the system is deemed indispensably necessary. The want of proper restrictions and checks, to guard the public against imposition and loss, may be traced to the peculiar circumstances which brought banks into existence.

Banking first originated in a public debt, and was established upon that kind of indebtedness now known under the popular name of State stocks. As might be anticipated, under such inauspicious circumstances, the creditors of the government dictated the terms on which their privileges should be granted. Hence, the public good was made subservient to the private interest of individuals.

At the present period, political economy is so well understood, so far as it relates to banking, that many of the errors of former legislation may be avoided. The theory of banking has always rested on the assumption that it augments the active or productive capital of the country. Hence, Mr. Hamilton, the Secretary of the Treasury, in his report to the House of Representatives, on the 14th day of December, 1790, laid down the position, that "Gold and silver, when they are employed merely as the instruments of exchange and alienation, have been, not improperly, denominated dead stock; but when deposited in banks, to become the basis of a paper circulation, which takes their character and place, as the signs or representatives of value, they then acquire life, or, in other words, an active and productive quality."

The experience of more than half a century since this opinion was expressed, has failed to convince the American people that gold and silver are to be regarded as dead stock, except when placed in banks as a basis for the issue of their paper. This idea, that gold and silver acquire life, activity and productiveness, only when placed in banks, as a basis for paper issues, rests upon the assumption that bank notes, to an indeterminate extent, may be thrown into circulation, and that a proportionate increase will be given to the commercial, manufacturing and agricultural interests of the country.

The excess of bank notes over the specie basis, that may be safely issued, has been variously estimated at two or three to one. It is probable that no ratio of bank notes, as two, three or four for each dollar in specie, can be determinately settled upon as safe at all times and under all circumstances.

Various causes might be enumerated which would produce essential changes in the amount of bank notes in circulation. Among these causes are, a demand of specie for exportation; the collection of specie to establish

new banks, or to supply eastern banks; the demand for exchange, after excess of trade or speculation; and over issues of any kind will be followed by a return of the circulation for redemption. It seems to be a conceded point that banks cannot do what is denominated a regular banking business, without the confidence of the community in which their notes circulate. From this fact alone, the conclusion may be drawn that the system is radically imperfect. A bank, established on a safe and permanent foundation, with real and adequate capital, should be able to meet such of its liabilities as were, or could, at any one time, be presented for payment or redemption; but, on the other hand, if its capital were fictitious, consisting of stocks, stock notes, certificates of deposit, etc., the institution would require the fictitious aid of public confidence to carry on its regular banking operations. The objection is not to the existence of public confidence, where the means of a bank are ample, but that it should sustain a bank in which they are wanting. Public confidence should not be permitted to form too great a proportion of banking capital. It cannot be said that in this State confidence has been unjustly withheld from the banks. The error has been on the other side, and the loss to the community has, in many instances, been severe in proportion to the degree of confidence bestowed. We lay down the broad proposition that a banking institution properly conducted, and having the means to meet its liabilities as presented, will find itself in the enjoyment of all the confidence it needs or desires.

We have been led to the conclusion, from the examinations made during the present year, that the banking capital in the State has paid but a very inconsiderable amount of tax in proportion to the sum total of property thus invested. The rate of assessment, for State, canal and school purposes, is five mills on the dollar.

The capital stock of the twenty two specie paying banks, at the period of the first examination this year, was \$6,894,989.03. If to this we add the capital stock of the Franklin Bank of Columbus, which is \$412,280, the total amount is \$7,307,269.03. On this amount of other taxable property, the taxes assessed would be \$36,536.34, whilst the total sum received by the State, for taxes on bank capital, between the first day of December, 1841, and the first day of December, 1842, is \$14,712.13. The tax collected on the capital stock of banks, is, therefore, considerably less than half the tax on other property; yet the money so invested has probably been as productive as that employed in other branches of business. The necessity, as well as the equity, of placing bank capital on the tax list, and taxing it in the same manner as other property, is apparent.

The charters of banks, heretofore incorporated in this State, are altogether too vague and indefinite in relation to capital stock. It is suggested that the amount of capital should be definitely fixed, without the power of increasing or lessening it, except by consent of the legislature. The amount of capital required can be ascertained with greater certainty at the time the grant is made, than by any estimate of what the future wants of the community in which the bank is located would probably be. It would be more safe to legislate for the present, and require a definite amount to be paid before the institution commences banking business, than to authorize a capital of a certain amount, with the privilege of increasing it to four or five times that sum. One objection to this

indefinite amount of capital, is the uncertainty that rests on the public mind as to the true condition of the institution. When the charter authorizes a capital of one hundred thousand dollars, with the privilege of increasing to five hundred thousand dollars, the bank, unless prohibited, will probably commence business when a portion of that amount is subscribed and paid, and the subsequent instalments, or increase of stock, will be made by an application of the dividends to that purpose, or by loans and discounts, which are, in substance, stock notes, whatever may be their forms or terms of payment.

A reference to the reports submitted to the Legislature in February and July last, will suggest the propriety of prohibiting, by strong penal enactments, the directors and stockholders from making any assignment, transfer or surrender of stock, to the bank, in payment of debts, until the entire liabilities of such bank to the public have been discharged. The frauds of this kind have been enormous, and, in some instances, of the most aggravated character.

In view of these frauds, and the danger of their repetition, it is questionable whether stock should, at any time, until the public creditors have been provided for, be received in payment of debts. This practice of assignment has been so common, that is prohibition may be supposed to operate unfavorably to the interest of the banks. The necessity for its adoption originated in the large amount of indebtedness by the directors and stockholders, and it may be dispensed with by avoiding the wrong which brought it into existence. If loans to directors and stockholders were limited within reasonable bounds, and such security given as should be required in other cases, there would be no great advantage accruing to the banks from the exercise of the right to purchase in their own stock.

If it should be deemed advisable still to vest the banks with the power to purchase or receive their stock in payment of debts, it should be under proper restrictions and limitations.

1st. It should not be permitted when a bank is not regularly and permanently redeeming its notes in gold and silver.

2d. It should not be permitted when a bank is in an insolvent or failing condition, or with a view to insolvency.

3d. After failure, it should not be allowed until the liabilities of the bank to the public have been satisfied.

4th. In no case, except where a bank had no other means of securing a bad or doubtful debt.

An effectual prohibition of loans on stock and stock securities, would supersede, in a great measure, the necessity for receiving stock in payment of debts. These loans and discounts are rarely paid, and by continuation from year to year, the capital of the bank is exhausted. The practice is a fraud upon the public. The capital stock is authorized as a

basis upon which its issues are to be made. If it be withdrawn upon stock notes, or stock security, the bank has no permanent available means to meet the redemption of its paper.

We would particularly direct attention to the necessity of keeping the capital stock unimpaired, and to effect this object, all stock received in discharge of debts should be immediately sold.

If instances occur in which the interest of the bank may be advanced by a transfer of stock in payment of debts due the institution, we have on the other hand cases of glaring fraud upon the public in the exercise of such a power by order of the board of directors. Perhaps stronger illustrations of this practice cannot be given than those heretofore submitted in relation to the German Bank of Wooster and the Bank of Steubenville.

That adequate protection has not been given to the billholder, to secure him against loss and imposition, is a plain and evident fact that cannot be controverted. The bank explosions in 1841, and the beginning of the present year, have demonstrated it so clearly that it cannot be overlooked. The assets of the broken banks, if judiciously and honestly applied, are, in most cases, inadequate to the redemption of their paper in circulation, and the discharge of their other liabilities. But even these means, limited as they are, have, in some instances, at, or about the time of failure, been fraudulently withheld from the public, by sales, assignments, transfer of worthless stock in discharge of real indebtedness, replevin, and other devices.

Whatever the nominal capital of a bank may be, its real banking capital consists in specie, and such funds as are immediately available in redeeming its paper, and these should in no case be so diminished as to render it incapable of meeting any demands that may be made upon it.

Perhaps no subject has exercised the mind of man more than that of substituting paper for gold and silver, as a circulating medium. As yet, no plan has been devised which has furnished a paper currency uniformly and permanently equivalent to specie. Bank notes have, in many instances, obtained a high degree of credit; but that credit, by leading to over issues and improvident speculation, has too often been the cause of subsequent suspension or failure.

All experiments to keep bank notes uniformly of the same value as gold and silver, have proved abortive; and the position, whether true or false, has long since been laid down, "that it is impossible to organize secure banks of issue." So far as we are enabled to trace the subject, the history of banking has rather tended to confirm, and establish, the truth of this position.

Theoretically, it would appear to be impossible to make bank notes, as the representatives of gold and silver, take their place as a circulating medium, to the extent of two or three times their amount. The amount of

notes suspended in circulation, is subject to great and sudden changes; and whenever doubts arise as to the solvency of a bank, or its ability to redeem its notes, there will be a demand for specie, and this demand is most likely to take place at the very time the bank is least able to sustain itself under a heavy call for the precious metals.

Whatever the cause may be which operates to impair the confidence of the public in a banking institution, its tendency is to throw its paper back for redemption; an over issue is sure to produce an exportation of the precious metals; a large amount of bank notes in circulation will excite fears and insecurity in the public mind, and the inevitable consequence is a run for specie.

The history of banking, as well as the facts connected with recent failures, furnish proof in corroboration of the position already quoted, that banks of issue, perfectly secure, and able at all times to redeem their notes in gold and silver, cannot be organized. The Bank of England was chartered in 1694, and suspended the payment of its notes in 1696. In 1745, the bank was so reduced in specie, that the directors resorted to payments in shillings and sixpences, in order to gain time. In 1797, Parliament agreed to a restriction, prohibiting the directors from paying their circulation in specie; and a suspension of specie payments, under this restriction, continued for a period exceeding twenty four years. The amount of notes in circulation at the commencement of the suspension, was 8,601,964 pounds sterling. Instead of diminishing the amount of circulation, it was increased, in the first twenty years of the suspension, to 30,099,908 pounds sterling. During the continuance of this suspension, the paper was greatly depreciated. The depreciation was small for a few of the first years, but gradually increased, until it amounted to twenty five per cent. In 1825, soon after the resumption of specie payments had taken place, the Bank of England was again nearly drained of specie, and, as a temporary expedient, made an issue of about a million of one and two pound notes.

In France, the failure of the Royal Bank produced an amount of ruin and distress that is probably unparalleled in the history of banking. When the circulation of this bank became enormous, and a heavy demand for specie unavoidable, edicts were passed making the notes a legal tender in payment of rents, customs and taxes; restricting payments in specie to small sums, and prohibiting any individual or company from having more than five hundred livres in coin, under penalty of fine, and the confiscation of the specie found in his or their possession.

The standard of gold and silver was several times altered, to make it correspond with the depreciated condition of the notes in circulation; and these alterations were continued, until it was reduced to half its value, at the time the bank was established. Successive edicts were passed, gradually reducing the value of the notes, until they sunk to half their nominal value. All confidence in the Royal Bank was destroyed by these acts, as other edicts might declare them worthless. That something might be saved to the holders of these notes, the demand for redemption became general, and the bank closed its doors in preference to paying out its coin.

So great was the distress that followed this revulsion, that it was difficult to obtain a sufficient amount of specie to purchase the

necessaries of life. The Royal Bank had a circulation, at the time the explosion took place, equal to 2,235 millions of livres. The government made a proposition to fund these notes, at an interest of about two per cent., and closed the scene by prohibiting their circulation.

In the United States, the failure of banks has formed no inconsiderable part of their history, and we have become accustomed to the suspension of specie payments. It would be useless to enumerate the instances of bank explosions and suspensions in Ohio, as there is scarcely an individual who has not suffered from their frequent occurrence.

The great and fundamental error in the banking system, may be traced to the want of individual liability of the directors and stockholders, to pay the debts they contract, and redeem the paper they put in circulation. Heretofore, in granting bank charters, it has been deemed sufficient to make such property only, as already belonged to the corporation, instead of the property of the members, liable for the redemption of its notes issued, and the payment of other debts. With this exemption, of the persons composing the corporation, from all liability in their natural or individual capacity, there were no effectual checks against fraud, or the conversion of corporate into private property, in the hands of the same person. The same man, in his corporate capacity, might be poor, but, as an individual, he might be rich; and his wealth, in a great measure, drawn from the profits or spoils of the corporation of which he was a member. That which he held as an individual, although, perhaps, derived from the profits of the corporation, could not be taken to discharge the debts which the corporation owed.

It is apparent that some effectual remedy should be applied to the evils and abuses of banking in this respect. As, between the bank and the billholder, whether legally so or not, the power rests with the former. Single-handed, the billholder cannot contest, successfully, his rights against the moneyed influence of a bank. Payment on a bank note in his possession, which, to be the representative of money, should at all times be equivalent to specie, is refused. While ~~his~~ he is proceeding, in the ordinary forms of law, to enforce payment, the corporation, so far as its means of discharging the debt is concerned, may have changed its form of existence, or utterly and hopelessly failed. The property of the corporation may have passed through so many mutations, and become so essentially changed, as to elude the vigilance of the sheriff in obtaining and identifying it as the property of such corporation; and none but those interested in defeating the creditor of the bank would be able to recognize it in its new form of existence.

The whole bank may have been sold to some petty insurance or other incorporated company, and the property, as the assets of such company, assigned to individuals who claim and exercise a control over the portion of it, which cannot be concealed from the public. And still it may be possible that the individuals, who claim the property as trustees or assignees, may have been, not only the members and managers of that company, but also the officers and stockholders of the purchased bank--the agents of the sale--the author~~x~~s of the assignment, and the receivers of the goods. The property after all its changes, is still in the same hands that it was while in the

bank; and the individuals who control it, are bankers, corporators, trustees or assignees, as circumstances require, with the same private interests to subserve in each of those capacities.

Again, after the capital of a bank is exhausted, its specie exported, its doors closed, and the redemption of its notes refused, the directors authorize a surrender of the stock to the bank in payment of debts, by which the stockholders discharge their own direct liabilities to the institution, by a transfer of stock, which would not sell for one per cent. in market.

The history of the past has proved that frequent and heavy losses have occurred from bank failures. This loss must fall upon one of two classes of men—upon the bankers, or the billholders; and it would appear to be the duty of the legislature to decide upon which of these classes it should rest. To determine this question, would lead to an examination of the relations which the stockholders and the community bear to each other. If those relations are reciprocal, then the losses should be borne equally by both; but if the management devolve, exclusively, on one party, and the profits also inure to the same, it is clearly right to fix the responsibility upon that party having both the control and the profits.

In the organization and management of the banks, the control over their discounts, and the decision as to what persons or classes of persons shall be accommodated, the people have no more direction than in the affairs of private individuals. On the contrary, the transactions of banks are kept with greater secrecy than the ordinary business of private persons. The names of individuals indebted to the banks are scrupulously concealed from the public, and the commissioners, authorized to examine their condition, are prohibited by law, except in certain cases, from making a disclosure of the names of debtors.

The principal objection urged against the propriety of making the stockholder liable, in his individual capacity, for the debts contracted under his corporate name, rests upon the ground, that the corporation is a distinct and separate body, acting under a charter granted for specific purposes; and, as such, the stockholder of a bank incurs sufficient risk from the danger of losing that part of his property invested as bank capital.

Notwithstanding, the bank may be regarded as having a distinct and separate legal existence, yet the charter was granted for the benefit of the stockholders, consequently, the accruing profits, instead of being kept as a fund to discharge the debts of the corporation, or to meet its losses, are, semiannually, divided among the stockholders, and, thereafter, become private property beyond the reach of an execution against the bank. And here is the distinction between a natural person and a corporation. The natural person retains his accumulated profits, and they become a part of his property, and are liable, at all times, for the payment of his debts; but the corporate body, instead of retaining these profits to pay its debts, or meet any losses that may occur, divides them among the stockholders. Individual liability, instead of dividing the profits among the stockholders, and the losses among the people, proposes to divide the losses,

as well as the profits, among the persons composing the body corporate.

Our last report furnished one case, in particular, which will illustrate the views above expressed. The Lancaster Ohio Bank, now closed, by mandamus, as an insolvent institution, declared dividends from 1817 to 1839, averaging thirteen per cent. If the balance of these profits, after paying the stockholders six, or even ten per cent., had been retained by the bank as its corporate property, the necessity of suspension and failure would have been avoided, and the institution at this time, would have been able to redeem its notes in gold or silver.

The issue of notes at points distant from the place of payment, is still continued by a part of the banks. In some instances this is effected through the agency of the banks, themselves, by a mutual exchange, for the purpose of paying out each others notes at their respective counters. In many cases the money is paid out through the agency of individuals, who receive it in sealed packages, and render an account to the bank of the time the packages are broken for the purpose of paying them out. When the bank is informed that a package is broken, the amount is charged to circulation. Large sums are thus placed in the hands of individuals, and in banks, to be paid out in the purchase of eastern bills, and for other purposes. In one instance a single banking institution had \$140,000 sent abroad, which were not set down as notes in circulation.

In this system of exchanges, whether through the agency of banks or individuals, the bank cannot know the exact amount of its circulation. The agent becomes the issuer, and between the time of issue by him, and the receipt of intelligence ~~by~~ from him, the bank is unable to ascertain the exact amount of outstanding notes. If the agent withhold the information, the paper may be long in circulation without the knowledge of the bank. The propriety of prohibiting the exchange of notes for circulation; of prohibiting the employment of agents to pay them out at places remote from the bank; of requiring banks to adopt a well regulated system of settling balances, and of paying out, at their counters, ~~not~~ but their own paper, is suggested for the consideration of the General Assembly.

Correspondence
& memoranda

MEMORANDUM FOR THE BOARD

ST. LOUIS, MISSOURI
FEBRUARY 1964

May 1, 1953

Miss Elizabeth C. Biggert
Manuscript Librarian
The Ohio State Archaeological
and Historical Society
Ohio State Museum
Columbus 10, Ohio

Dear Miss Biggert:

Thank you for your letter of April 29. The material you describe may well be of importance to our study.

We would like to obtain additional information regarding this material so as to be able to decide when someone should be sent to Columbus and approximately how long it would take. Could you arrange to have the material spot-checked by one of your staff or perhaps by a part-time worker? The information we desire should not take more than several hours or, at most, a day to secure and we would, of course, be willing to pay whomever you hire at the regular hourly rate.

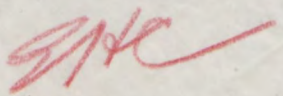
Specifically, we would like to know: (1) approximately how many letters are included in the packages of correspondence (no more than a very rough estimate) (2) whether the letters are to, or from, the Board of Control (3) what kind of letters are involved i.e., do they seem to be brief routine letters or do they cover a range of subjects (4) what kind of material is included in the packages designated in your letter as "Bank deposits and receipts of banks in Ohio". I assume that these questions can be answered after examining one or two of the packages, and that it would not be necessary to go through all of them.

So far as items (3) and (4) are concerned, I think in addition to an opinion it would be helpful if several photostatic copies were made. I imagine that it would be sufficient to photostat two or three of the more typical letters and one or two of the sheets included in the second group of packages. It would not be necessary to make positive copies; negatives are sufficient. The bill for photostating, along with the bill for necessary labor, should be sent to Edison H. Cramer, Chief, Division of Research and Statistics.

Let me express again our appreciation for your thoughtfulness in informing us of the existence of this material. Also, I am very grateful for the kind assistance you gave me while I was at your library.

Very truly yours,

Carter H. Golembe
Financial Economist
Division of Research and Statistics



C
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THE OHIO STATE ARCHAEOLOGICAL AND HISTORICAL SOCIETY
Ohio State Museum
Columbus 10

April 29, 1953

Mr. Carter Golembe
Federal Deposit Insurance Corp.
National Press Bldg.
Washington 25, D. C.

Dear Mr. Golembe,

Since your visit here, I have found a number
of packages of material of the Board of Control of Ohio banks.
It was moved and stored in with a large group of Ohio canal
papers.

Following is a list of what I have found:

Correspondence of the Ohio Board of Control,

1846-49, 1 package
1850-53, 1 package
1852, 1 package
1853, 1 package
1855, 1 package
1856, 1 package
1858, 1 package
1862, 1 package

Bank deposits and receipts of banks of Ohio,
Board of Control.

1838-39, 1 package
1844-54, 1 package
1847-51, 1 package
1854-58, 1 package
1859-63, 1 package

I made a fairly thorough search, but there may
be additional material which fills in the gaps in the years given
above. If you decide to come back to look at this material, please
let me know, so that I can be on hand to show you where it is.

Sincerely yours,

(Miss) Elizabeth C. Biggert
Manuscript Librarian

April 20, 1953

MEMORANDUM

TO: Dr. Cramer

FROM: Mr. Golembe

SUBJECT: Trip to Columbus, Ohio, April 12-17

The trip to Columbus, Ohio, was for the purpose of securing information relating to the operation of the State Bank of Ohio between 1845 and 1865. This information is available only from actual records of the State Bank, many of which were deposited in 1936 at the library of the State Archaeological and Historical Society or at the State capitol building.

Not all of the records deposited with the library of the State Society are still available. Some are presumed to have been lost in a fire in 1951 and, because it was necessary to move the records a number of times since 1936, some others could not be found, either by me or by the library staff. However, a group of important records was located, including:

- (1) Two bound volumes containing written copies of letters from officials of the Board of Control of the State Bank to the Branch Banks, 1848-55 (approximately 1,100 pages).
- (2) Eight volumes of letter-press copies of similar correspondence, 1856-65 (approximately 4,000 pages).
- (3) Two volumes of monthly reports of condition of the Branch Banks, 1846-48 (approximately 75 pages).
- (4) Reports of examination of the Branch Banks, 1860-65 (not complete for all dates or all Branch Banks).
- (5) Miscellaneous papers of the State Treasurer which included some papers of the Board of Control, various dates.
- (6) Miscellaneous records of the Board of Control relating to, e.g., cash accounts with Branch Banks, mutilated notes, stock retirement, cancelled notes.

Material described in items (1), (2), and (3) will be of great assistance in the preparation of our study. I arranged to have the volumes described in items (1) and (3) microfilmed and sent to us. The total cost of the microfilming is estimated to be approximately \$30, and, in my opinion, represents a saving to the Corporation over what it would cost for me to remain at the library for from three to five additional days.

The eight volumes described in item (2) are being loaned to our library for a period of one month, the time to be extended if necessary. As you know, manuscript volumes are rarely permitted to leave a library and this action by the library of the Society will result in a considerable saving to us, both in time and expense. Consequently, I suggest that a letter to Miss Martin, head librarian, or Mr. Zepp, director of the State Society, thanking them for their kindness in this matter, might be appropriate.

Records described under items (4), (5), and (6) were examined by me at the library and the necessary information taken from them. For the most part, they contained little which can be assistance to us.

Of the records known to have been at the library of the State Society in 1936, only two which would appear to be of interest were not located: the letterbook volume covering the first three years of operation of the State Bank, 1845-48, and, second, the monthly reports of condition of the Branch Banks, 1849-65. It is opinion of Miss Biggert, librarian in charge of manuscripts, that these records may be included in the mass of severely burned and charred records which were salvaged from the 1951 fire. These records, which are not now usable, will eventually be restored and Miss Biggert has agreed to notify us if the State Bank volumes described above are located.

Despite a thorough search by myself and Mr. Rutherford of our Columbus office, records stored in the State capitol building could not be located. Our information was that the records were placed in storage room number 2 in 1936. Unfortunately, in the subsequent reconstruction of the basement of the State capitol building soon afterward, all trace of the records, and even of storage room number 2, disappeared. Present storage rooms of the State Treasurer, State Auditor and the Governor, were searched by us but no records could be found. Mr. Creviston, assistant State Treasurer, Mr. Bartholomew of the State Auditor's office, and Mrs. Hammel of the Governor's office, were exceedingly helpful and assisted in the research but neither they nor several other people in these offices knew of the existence or present location of the records.

Mr. Rutherford and I also visited other State offices and, further, interviewed several building custodians and contacted the building superintendent, but without success. I also visited Mr.

Defenbacher, Commissioner of Finance, and Mr. Brahm, head of the library at the State Office Building, Mr. Hazard, Superintendent of Banks, and Mr. Hampton, vice-president of the Huntington National Bank, but could secure no information as to the records.

Apparently these records were either lost during the period when the capitol basement was being reconstructed, and will come to light only by chance in some future shift of records, or, as Mr. Hazard suggested, were destroyed in a fire a number of years back which consumed some records which his department had accumulated. However, it is important to note that the bulk of the records important to us had originally been moved to the library of the State Society and, as described earlier, most of these have been located.

While at Columbus, I had the opportunity of meeting with: Mr. B. G. Huntington, Chairman of the Board of the Huntington National Bank; Mr. Belford P. Atkinson, executive manager of the Ohio Bankers Association; Mr. Thurman R. Hazard, Superintendent of Banks; and Mr. L. A. Stoner, president of the Ohio National Bank. All of these gentlemen showed marked interest in the study we are making and were particularly helpful in suggesting sources of information on the State Bank. Unfortunately, because of a conflict in dates, I was not able to meet with Mr. Tracy, State Treasurer, or Mr. O'Neil, Attorney General, but, as noted, I did visit their offices in the course of searching for records at the capitol and received very friendly assistance.

During my entire stay at Columbus, Supervising Examiner Mounts rendered all possible assistance to aid in the work. The very friendly cooperation extended to me by Mr. Mounts and his staff was particularly heartwarming and made the task of locating information easier and more pleasant.

December 13, 1954

MEMORANDUM

TO: Dr. Golembe

FROM: Helen Thompson

SUBJECT: Behavior of circulation and individual deposits in relation to changes in reserve requirements, Ohio, 1853-1857

Actual orders pertaining to reserve requirements issued by supervisory authorities appear to be somewhat vague. However, a few evidences of resolutions passed in this regard may be found in extracts from the correspondence of the Board of Control, State Bank of Ohio.

On August 23, 1852 a communication indicates that a resolution of the Executive Committee was put forth as follows:

"Resolved: That the President...ascertain whether it is deemed best in view of the cheapness and abundance of money to enforce the orders of the Board at last session directing a withdrawal of circulation and an increase of specie basis."

During the five months following the above resolution circulation continued to increase and did not contract until February 1853, or six months after the resolution was brought out. In the case of individual deposits there was a contraction immediately following issuance of the resolution but as of October and subsequently, the tendency was toward an expansion.

On January 23, 1854 it was noted that several branches were deficient in the amount of the required specie reserve and it was further pointed out that 20 percent in specie in vault was the requirement at the time. Following this reminder to branches there was a contraction in circulation for the next seven months and an even sharper contraction in the amount of deposits.

On November 21, 1857 a communication to a member of the Board of Control pointed out that a resolution was adopted which ordered that coin be brought up to "20 percent on circulation in 60 days and thereafter 2 1/2 percent per month until the amount is to 30 percent."

The reaction of circulation (which had been declining since October) was further contraction for the next three months and thereafter a trend toward expansion. The reaction of deposits (which were declining since the middle of 1857) was continued contraction until the end of the year, and thereafter irregular fluctuations.

December 14, 1954

MEMORANDUM

TO: Dr. Golembe

FROM: Helen Thompson

SUBJECT: Supplement to memorandum dated December 13--Behavior of circulation and individual deposits in relation to changes in reserve requirements, Ohio, 1853-1857

Despite the August 1852 recommendation to increase the specie base and contract circulation, circulation showed a continued expansion (as was also the general trend of individual deposits) for the next five months while specie continued in its decline for the next two months. Beginning November 1852 and through January 1853 specie did increase but in February 1853 again proceeded to decline rather markedly to the middle of 1853. It was not until February that circulation began to decline, and then at a rate considerably lower than that of specie.

After the January 1854 reminder of the 20 percent specie requirement there was an immediate contraction in circulation and deposits but also a general decline in specie held.

The November 1857 order requiring an increase in the specie held was followed by an increase in the specie for five months, a contraction in circulation for the next three months and a small contraction in deposits for one month.

LIST OF ITEMS REGARDING THE BOARD OF CONTROL OF THE STATE BANK OF OHIO
INDEXED AT THE OHIO STATE MUSEUM AMONG MATERIALS FROM THE TREASURER'S OFFICE
(Materials are located at the Museum, except those marked "Capitol")

President's accounts with branch banks
Report of Branch banks--1844-66
Statistics of Bank and Branches--monthly, 1846-64
Stock certificates--record with Treasurer of State for security of circulation 1856-69
Register of drafts and certificates--1848-59
Correspondence--1840-77 (partly at Capitol)
Receipts of deposits--reports of daily deposits, 1838-39, 1844-63
Cash journals, cash account ledgers, and expense ledgers, 1842-59
Safety fund ledger--1855-62
Letters--1846-76
President's correspondence to bank--letter book
Miscellaneous papers--1844-67
Miscellaneous reports--1848-54, 1860-68, 1850-55 (partly at Capitol)
Cancelled checks and bank notes--1837-60, 1851-63 (partly at Capitol)
Protested notes--1850-54 (Capitol)
Ledger of unidentified and mutilated notes
Order book--ordering notes, 1856-62
Receipt book
Report of receivers (especially Commercial Bank of Toledo)--1855-69 (Capitol)
Stockholders' register--1855-56 and 1862
Resolutions and minutes of meetings--1850, 1857, 1861-66 (Capitol)
Vouchers, records, and oaths of election--1852-64 (Capitol)
Invoices, receipts, vouchers--1849-67 (Capitol)
Warrants and vouchers--1858, 1864
Weekly statements--1846-51--Canal Bank



FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON

May 3, 1940

MEMORANDUM

TO: Clark Warburton
FROM: Carol Colver
SUBJECT: Guaranty of bank obligations in Ohio

The State Bank of Ohio played a major part in the banking system of Ohio during the two decades preceding the Civil War, but it did not immediately supplant the old banks in existence when it was authorized or prevent the growth of a system of independent and free banks authorized during the same period. Private bankers and brokers also performed a considerable proportion of the banking business in Ohio during the period, although the actual extent of this business is unknown. Judging from the statistics available and from the comments of writers of the period, the State Bank of Ohio appears to have been safer than the other classes of banks in operation during its existence, and just about as profitable.

I. HISTORICAL BACKGROUND

The act providing for the State Bank of Ohio and the independent banks marked the close of a period of haphazard and contradictory legislation and bank supervision which had not provided a safe and adequate banking system. Of the thirty or forty banks chartered by special acts of the legislature between 1811 and 1834, eight were in active business in 1845, and the legislature was faced with a choice between renewing the charters of these banks and a few others which had started liquidation or of setting up an entirely new banking system. Up to this time, the efforts of one legislature to regulate by law capital, specie reserves against circulation, and banking practices in general had been nullified by acts of the following legislatures repealing this restrictive legislation. Many of the old banks failed after the panic of 1837 when they could not redeem their notes which were secured only by loans and discounts depreciated in value in the depression years. Others suffered because of the failure of the State government to repay the money it had borrowed from them, and still others were organized for purely speculative purposes and fraudulently issued large quantities of circulation without any security whatever.

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A law providing for the incorporation of banks and for a safety fund for the redemption of their circulating notes was passed in 1842, but there is no record of any banks organized under this act and it was repealed February 24, 1845, the day the act providing for the incorporation of the State Bank of Ohio and other banking companies was passed. The Board of Bank Commissioners, established in 1839, continued until the law of 1845 went into effect. In their annual report of the condition of banks under their supervision for 1842, the commissioners made many recommendations which were embodied in the law of 1845, particularly with respect to fixing the maximum capital stock to be paid in before the banks could commence business, requiring individual liability of stockholders, regulating loans and discounts, and requiring security against circulating notes.

II. THE LAW OF 1845

The act of 1845 creating the State Bank of Ohio and providing for the incorporation of independent banking companies continued in force without important amendments until the National Banking act of 1863 supplanted it. The free banking law of 1851 did not modify the provisions of the earlier act affecting the banks chartered under its authority.

Organization of banks. The banking act of 1845 created two banking systems which were to operate side by side, the State Bank of Ohio and the independent banks. The State was divided into twelve districts, the maximum number of banking companies for each district was fixed, and the Board of Commissioners, composed of five persons named in the act, was given sole power to approve the organization of banking companies either as independent banks or branches of the State Bank. In 1846, the Board of Control of the State Bank was given the power to issue certificates to newly organized branches, except that its refusal to issue a certificate to commence business might be overruled by the Board of Commissioners. With the exception of provisions relating to the safety fund and the Board of Control created to supervise the operations of the branches, the restrictions and regulations imposed on the branches of the State Bank and the independent banking companies were practically identical. A minimum capital of \$100,000 was required for the organization of a branch of the State bank, while independent banks could organize with a capital of \$50,000.

The branches of the State Bank were really individual commercial banking units, not branch offices of a single bank, as we use the term "branch" today. Each branch had its own board of directors and capital stock and received deposits and made loans independently of the other branches. The Board of Control, which consisted of one member appointed by the board of directors of each branch, was a supervisory body and

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also administered the safety fund. Banking companies which elected to become branches of the State Bank were required to deposit ten percent, in cash or in certain stocks, of their authorized circulation with the Board of Control as a safety fund.

New branches or independent banks could be organized by any group of individuals "not fewer in number in any case than five", subject to the restrictions and conditions of the act, or existing banks could avail themselves of the opportunity to continue their business after the expiration of their charters by meeting the requirements of the act. The aggregate amount of capital of newly organized companies of either type which could be authorized under the act was \$6,150,000, but this did not include the capital of existing banks which might be authorized to continue operations. A number of old banks which had begun to liquidate following the expiration of their charters in the early 1840's availed themselves of this opportunity to become branches of the State Bank or independent banking companies, but eight old banks continued under their old charters.

Seventeen branches of the State bank and ten independent banks were organized during 1846 with deposits and circulation of \$3.6 million in the branches and \$1.5 million in the independent banks. Deposits and circulation in the old banks for that year aggregated \$4 million. By 1850, 41 branches had been organized, but there were still only twelve independent banks. After the passage of the free banking law in 1851 permitting banks to organize with capital of \$25,000 to \$50,000 and to issue circulation based upon public stocks of Ohio or the United States deposited with the Auditor, a number of free banks were organized. For about six years, until the last old bank failed in the panic of 1857, there were four banking systems in operation in Ohio. Four savings banks, modelled on the New England mutual savings banks, were also organized during this period but there is no data regarding the volume of business done by them since they were not under state supervision.

Deposits guaranteed. Under the provisions of the law of 1846 regarding the safety fund of the State Bank, only the circulating notes of the branches were guaranteed. There was no provision for the mutual guarantee by the branches of deposits or other bank obligations. Until 1863, however, circulating notes formed more than two-thirds of the deposit obligations of the branches.

Assessments. Each branch was required to make an initial contribution to the safety fund of ten per cent of its authorized circulation and if it increased its paid-in capital, and therefore its circulation, it was required to make an additional contribution of ten per cent of the increase. There were no annual assessments. If necessary a special assessment, based on the authorized circulation of each branch, could be levied on the branches to make up the sum required to redeem the notes of the failing branch. The branches were to be

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remunerated for such contributions as soon as the failed branch could be liquidated, and if sufficient money remained, the safety fund was to be reimbursed.

Administration of the fund and method of liquidation. The Board of Control was responsible for the custody and operation of the safety fund. The contributions were paid to the Board at the time it issued circulation to the branches. The fund was to be invested in stocks of the State or of the United States, or in bonds secured by mortgages, subject to certain restrictions. Income from the fund was to be paid to the branches according to the proportion of their contributions invested.

A branch was to be declared insolvent if at any time it failed to redeem its notes in gold and silver, and the Board of Control was to appoint a receiver immediately upon verification by an examining committee of the suspension by the branch of payment of its notes. After 1848 the Board was also empowered to close the branch and appoint a receiver if any of its orders was not complied with and the court granted it an injunction. If the money derived from the sale of stocks deposited by the failed branch with the safety fund was not sufficient to redeem its notes, the special assessment was then to be levied on the solvent branches. Returns thereafter received from the liquidations of the assets of the failed branch were to be applied first to reimburse all moneys advanced by the branches for the redemption of the notes and bills of the insolvent branches; second, to reimburse the safety fund; third, to discharge the remaining liabilities of the branch; and fourth, to be divided among the stockholders proportionally.

The salaries of the members of the Board of Control were to be paid by the respective branches. No specific provision was made for other expenses of administering the fund.

Supervisory powers of the Board of Control. In addition to the powers to issue certificates to branches commencing business and to appoint receivers, the Board of Control had supervisory powers over bank operations designed to safeguard the branches from losses resulting from unsafe and speculative practices. The Board had the power to examine the branches whenever and as often as the members deemed proper, and specifically when it had received information that a branch had committed an act of insolvency. It could require any branch to reduce its circulation or other liabilities within the limits necessary to secure from loss either the dealers with such branch or other branches. It might give orders to do or cease to do anything which it might deem necessary for the security of such branch or any other branch or branches. This last provision permitted broad discretionary powers over all operations of the branches. According to information available from all sources, the Board exercised these powers conscientiously, on one occasion keeping two branches under close

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surveillance over a period of years, and ultimately closing 5 of the 41 branches.

Statutory limitations. The principal statutory limitations on the operation of the branches of the State Bank, under the 1846 law, are summarized below.

Responsibility of officers, directors and stockholders:

Losses resulting from violations of the act or provisions of the charter knowingly permitted

In personal and individual capacity for all damages sustained by the company, shareholders or any other persons, body politic or corporate

Limitations on loans and investments:

Loans to directors

Collectively one-fourth of capital stock paid in and owned 1/

Loans to stockholders

Collectively one-third of capital stock paid in and remaining 1/ Period not to exceed six months

Maximum to single borrowers

One-tenth of authorized circulation

If reserve is impaired

No new loans if specie reserve falls below 20 per cent of circulation or below 30 per cent for 12 days

Limitations on ownership of property:

Maximum value of banking house and fixtures

Such as may be necessary to convenient transaction of its business

Time limit on real estate acquired by collection of debt

No longer than necessary to avoid loss

Ownership of other real estate

Prohibited

Ownership of corporate stock

Prohibited, except to prevent loss on debt previously contracted

Limitations on circulation, deposits, and borrowings:

Maximum circulation

May be	twice first \$100,000 capital stock		
" "	1 1/2 times second 100,000	"	"
" "	1 1/4 times third 100,000	"	"
" "	1 once fourth 100,000	"	"
" "	3/4 each additional 100,000	"	"

Maximum deposits

No provision

Maximum borrowings

No provision

1/ In case of directors, one-third, and of stockholders, one-half of capital stock paid in, including liabilities, as drawers or indorsers of bona fide foreign bills of exchange, drawn in this State and payable out of this State.

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Required reserves:

Total amount of required reserves	30 per cent of outstanding notes of circulation
Proportion of reserve required to be actual cash	One-half in gold and silver coin in its vault
Character of balance	Actual deposits with any solvent bank or banker of established credit in New York, Boston, Philadelphia or Baltimore, subject to be drawn against at sight

Limitations on payment of dividends:

If losses exceed undivided profits or net profits	Prohibited
If reserve is impaired	Not to be paid if reserve falls below 20 per cent of circulation or 30 per cent for 12 days
If capital is impaired	Not to be paid if losses equal or exceed undivided profits

Required reports:

Assets and liabilities	To be filed with Auditor four times a year, twice after semiannual payment of dividends
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III. NUMBER AND DEPOSITS OF BANKS IN OHIO,
1846-64

Because of the lack of accurate information for some years and the existence of conflicting information from several sources for other years, only the crudest estimates of the number of banks of any type in existence each year were possible, and no estimate can be made of the number of private banks operating during the period. Table 1 was built up from all available sources to give a rough idea of the trend in the number of State-chartered banks over the entire period and the proportion of all banks participating in the safety fund (i.e., the branches of the State Bank of Ohio).

Sources of information. The primary sources of information as to the number of branches and banks in active operation were the annual or special reports of the Auditor of State relating to banking. Since the Auditor nowhere published lists of suspended banks, such a list was compiled from Knox' History of Banking and several magazine articles about banks in Ohio during the period, and banks on this list were excluded from the number of operating banks after the year of their suspension whether they appeared in the Auditor's reports for that year

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or not. In some cases it was apparent from an inspection of the statement of condition given in the Auditor's report that the bank was in liquidation. The secondary sources were also used to determine the number of banks in operation for the period 1847-55 when the Auditor's reports did not publish statements for all types of banks.

Number of participating banks. The proportion of branches of the State Bank to all banks in the State increased rapidly from less than 50 per cent in 1846 to 71 per cent in 1850. After the passage of the free banking law in 1851, the percentage dropped to about 58 per cent following the organization of a number of free banks, but these were small banks and did not take a proportional share of deposits away from the State Bank as Table 3 shows. During the period 1854-57, when a number of bank failures occurred and many banks discontinued active operations, the proportion of branches to all banks in the State again increased although the total number of branches had declined from 41 in 1851 to 36 in 1854.

Deposits of participating and non-participating banks. For purposes of comparison with the types of bank obligations insured today, circulation was included in the computation of total deposit obligations of Ohio banks. Table 2 gives the amount of deposits and circulation held by each type of bank in Ohio for each year during the period. The only deposit obligation guaranteed by the safety fund was the circulation of the branches of the State Bank. Table 3 gives the percentage ratios of deposit obligations held by each type of bank to the total held by all banks in Ohio, the ratio of insured deposit obligations to the total deposit obligations of all banks and of the branches of the State bank.

Until 1851, the proportion of total deposit obligations of all banks held by branches of the State Bank was not as high as the ratio of their number to the total number of banks. Despite the organization of a number of free banks in that year, deposit obligations of the State Bank thereafter represented a much larger proportion of total deposit obligations than the number of branches to the total number of banks, particularly after the bank failures of 1854-57. Circulation represented the bulk of deposit obligations of the State Bank from 1846 to 1862 when it was forced out of existence by Federal taxation. During the period 1857 to 1861, circulation of the branches represented more than half the total deposit obligations of all banks in Ohio.

Concentration of bank deposits. Table 4 gives a distribution of branches of the State bank according to amounts of deposits and circulation for the years 1855 and 1862. A distribution of branches

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on the basis of circulation, the only figure available for 1850 and 1852, reveals substantially the same grouping. There was little concentration of risk with respect to guaranteed obligations during the period, as Table 4 shows. In 1855, nearly all of the branches had circulation between \$100,000 and \$250,000, and most of these branches had circulation very close to the group average of \$193,000. A higher degree of concentration was shown in other deposit obligations, but this did not affect the distribution based on total deposits and circulation much, since circulation amounted to approximately two-thirds of total deposit obligations.

IV. OPERATING RESULTS OF THE SAFETY FUND LAW

There is little in the records of the operations of the State Bank of Ohio to indicate that the system was not completely successful and a fairly adequate answer to the banking needs of the State during the twenty years of its existence. The incidence of bank failures appears to have fallen most heavily on banks not participating in the safety fund, and the losses from the comparatively few branch failures do not appear to have been very great. Furthermore, while many banks in Ohio voluntarily liquidated or became private banks, presumably because their operations under State charters were not profitable, the branches with one exception continued to operate profitably throughout the period.

Bank failures. Between 1846 and 1865, at least seventeen suspensions of State chartered banks occurred in Ohio, or about 21 percent of the total number of banks organized during the period. Of these, only five, or 12 1/2 per cent of the total number, were branches of the State Bank. One writer states that 6 branches failed, but according to other sources, the sixth branch closed, the Franklin Branch of Cincinnati, became Groesbeck & Co., a private bank. Apparently the Toledo branch, which suspended in 1853, reopened in 1855 since it is listed as an operating branch by several sources after that date and is reported to have converted to a national bank in 1864. Figures for total deposit obligations of the failed branches at date of suspension are not available, but none of them had circulation of more than \$270,000 according to their reports to the Auditor in 1852. No loss was sustained by the holders of circulating notes of these branches and they were redeemed at par by the other branches or the safety fund. There is no information as to whether depositors of the failed branches suffered any loss or whether the other branches had to pay special assessments to the safety fund.

The failures of other types of state-chartered banks during this period appear to have been more serious. Five of the eight old banks continuing in existence after 1846 and six of the twelve independent

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banks organized in 1846 failed between 1848 and 1857. The Ohio Life Insurance and Trust Company of Cincinnati which failed in August, 1857, had deposit obligations in 1856 of \$2.1 million and its failure was a grave blow to the Ohio banks, even jeopardizing the existence of the State Bank, according to Knox. A large number of private banks failed during this period also. The total amount of losses to depositors and creditors in these failures cannot be determined, but one writer states that the notes of two old banks, with deposits of nearly \$500,000 each, which failed in 1850, circulated at a discount of 50 and 75 per cent. Charles Reemelin, who conducted special examinations of independent and free banks under the Auditor of State during 1853 and 1854 estimates the loss from all suspensions in 1854 at \$250,000.

The chief causes of failure both of branches and other types of State-chartered banks in Ohio appear to have been speculative and self-serving managements, illegal connections with private bankers and brokers in Ohio or in the East, and the issuance of circulation on the basis of deposits in Eastern banks instead of specie reserves. These were the chief criticisms directed against the banking system in Ohio by Charles Reemelin in his discussion of the condition of free and independent banks, and he implied that the same weaknesses were to be found in the branches of the State Bank although he did not have the authority to examine them. It is known that until 1850, the branches of the State Bank at Cuyahoga Falls and Toledo were under close surveillance by the Board of Control because of illegal arrangements with private bankers in New York, and the Toledo branch was later closed.

Table 5 shows the number and deposit obligations of each type of State-chartered bank failing in Ohio during the period.

Other terminations prior to 1863. In addition to the terminations listed above, eight banks disappeared from the records during the period 1846-63. Two old banks became private banks upon the expiration of their charters, in addition to the branch of the State Bank already mentioned, and continued their banking operations throughout the period. One old bank, two independent banks and two free banks, stated by various authorities to have "closed" or "discontinued business", and one free bank about which there is no data, are assumed to have gone into voluntary liquidation rather than to have suspended. One independent bank in liquidation in 1856 later resumed active business and converted to a national bank in 1864.

Conversion to national banks. The Comptroller of the Currency reports 38 national banks in Ohio in 1863, 84 in 1864 and 136 in 1865. Nearly all of these were conversions of branches of the State

Bank, other State-chartered banks or private banks. The chief reason for the conversion of the branches of the State Bank into national banks was that their charters would expire automatically in 1866 and they could no longer issue circulation under State charters only. Knox says also that national banks enjoyed the reputation of being more secure because of supervision by the Federal government.

V. FINANCIAL HISTORY OF THE SAFETY FUND

No data available

VI. ELEMENTS OF STRENGTH AND WEAKNESS IN THE OHIO GUARANTY PLAN

The State Bank of Ohio should not be considered a failure, although it may have had elements of weakness which would have prevented its continued successful operation on a large scale had its charter been renewed in 1866. There is little reason to doubt that it would have continued in existence if the national banking system, which embodied many of the principles which had made the State Bank successful, had not replaced it. Its failure to survive after 1866 is not attributable to any financial difficulties with the safety fund or to any serious inadequacies in the operation of the branches during the period 1846-66.

One reason for the success of the safety fund was that the obligations insured were well secured. Circulation outstanding was limited by the amount of paid-in capital, and the greater the capital the higher its ratio to circulation must be. The aggregate amount of capital outstanding, as well as the capital of individual branches, was also limited. The branches did not vary much in size and the risk of loss by holders of circulating notes was distributed almost equally among them.

The branches were also well distributed geographically, as the map shows. The law apportioned the maximum number of branches permitted in the twelve districts of the State among the counties. This prevented serious threats to the system because of local economic difficulties and the reduction of profits through excessive competition.

Although the law creating the State Bank did not contain many restrictive provisions regarding specific banking practices, it did grant broad supervisory powers to the Board of Control. Because of the representative character of this Board and the relatively small number of branches under its supervision, it appears to have been able to exercise these powers effectively and to prevent the losses which might have occurred through speculative practices or incompetent management.

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The State Bank withstood a major financial crisis in 1857 when the failure of the Ohio Life Insurance and Trust Company, which handled the eastern deposits of many Ohio banks through its New York agency, threatened its existence. It is not known what, if any, drastic measures were taken at that time to insure the safety of the branches, but it must be noted that the weaker and less profitable branches had been eliminated in earlier years and that close surveillance was exercised over the branches with respect to their Eastern connections in the earlier period.

Although the State Bank was successful in its time, it would have had to be remodelled if its charter had been renewed and if it was to play a major part in protecting the deposit obligations of the State. The mutual guarantee of circulation applied to a portion of the deposit obligations which was fixed with comparative rigidity and could not expand with new commercial demands unless an excessive amount of capital was tied up. Other deposit obligations of the branches, which were not guaranteed, increased very rapidly from 1857 to 1863, and after the national banking law went into effect, total deposit obligations doubled within three years indicating the need for additional banking facilities in the State. Under the law of 1846, a progressively smaller proportion of banks' deposit obligations could be guaranteed as they expanded in size and the guaranty system would have come to play only an insignificant part in the banking business of the State.

LIST OF TABLES

(Tables not submitted with this
copy because of length)

1. Number of banks in Ohio 1846-64
2. Deposits and circulation guaranteed and not
guaranteed in Ohio Banks, 1846-64
3. Percentages of deposits of all banks in Ohio
held by the branches of the State Bank and
other classes of banks, and proportion of
deposits guaranteed, 1846-65
4. Number and deposits of branches of the State
Bank of Ohio, November 1855 and 1862
5. Bank suspensions in Ohio, 1846-65

MAP

State chartered banks in existence in Ohio, 1846-63

March 21, 1940

MEMORANDUM

TO: Dr. Warburton

FROM: Carol Colver

SUBJECT: Statistical information available for the history of the insurance of bank obligations in Ohio before the Civil War

In connection with the proposed history of insurance of bank obligations in Ohio before the Civil War, you requested me to obtain statements of assets and liabilities for the individual branches of the State Bank of Ohio and for each of the other types of banks operating in Ohio during the period 1845 to 1866. ~~Although~~ Totals of asset and liability items for the branches of the State Bank and for other banks in the State may be obtained for each year during this period from one or more of the various sources I have examined so far. I have not, however been able to find anywhere detailed statements of assets and liabilities for individual banks for the years 1847 through 1852 and for individual branches of the State bank for the years 1847 through 1854.

A combination of sources must be used to obtain detailed combined balance sheets for the State bank and for all other banks for each year during the period. The annual or special reports of the Auditor of State in Ohio, or reports of special examinations required by the State, give both combined and individual bank statements for the years 1844 to 1846 and 1855 to 1866, but only partial statements for the intervening years. Other sources which may be used to supplement the State documents are Homans' Bankers' Almanac, an article by Charles C. Huntington entitled "A History of Banking and Currency in Ohio before the Civil War" in the Ohio Archaeological and Historical Quarterly, and Knox' History of Banking in the United States. The tabular summary attached indicates the extent of the statistical information given in these sources and the years for which it is available.

In order to determine the extent to which the figures given in the other sources may be substituted for the years in which the State documents are not complete, I have prepared tables comparing the number of banks, capital stock, circulation, and total resources of branches of the State bank and of all other banks in Ohio as reported by the State documents, Homans, and Huntington for each year during the period. I did not include Huntington's figures after 1854 since the Auditor's figures appear to be complete for the rest of the period. These tables are attached, also a table comparing the number of banks, loans and discounts, specie capital stock, circulation, and deposits for all banks in the state as reported by Knox and by the other three sources for the years 1844, 1849, 1854, 1859 and 1863

Administration of the State Bank Safety Fund

I have not been able to find any published statistics regarding the administration of the Safety Fund maintained by the State Bank of Ohio in the State Documents or in the books and articles on the subject. An item called "Safety Fund" or "Permanent Reserved Fund" is included in both sides of the balance sheet in the individual reports of banks to the Auditor each year, but this does not give any idea of the total amount collected by the Board of Control or of the amounts expended in connection with the liquidation of failed branches. There are references in some of the magazine articles to the fact that five of the 41 branches of the State Bank failed but that their circulating notes were received by all the branches at par with the notes of solvent branches and were eventually redeemed without loss or inconvenience, while noteholders and depositors in other State and private banks in Ohio failed during the same period did suffer losses. There is no information as to whether debts other than circulation of the failed branches were paid off without loss.

TABULAR SUMMARY OF STATISTICAL INFORMATION REGARDING THE ASSETS AND LIABILITIES OF THE STATE BANK
OF OHIO AND OTHER BANKS IN OHIO FOR THE PERIOD 1844-66 AVAILABLE FROM THE VARIOUS SOURCES

Year	State documents ^{1/}		Information given by other sources ^{2/}		
	Kind of report	Information given ^{2/}	Knox' <u>History of Banking</u> ^{4/}	Homans & Bankers' Almanac ^{4/}	Huntington's article ^{4/}
1844	Annual Report of Board of Bank Comm'rs	<u>Banks: Complete statements</u>	All banks combined: Loans and discounts, specie, capital stock, circulation, deposits	..	..
1845	"Condition of Banks and Branches: Certain banks"	<u>Complete statements</u>	..	..	..
1846	Special Report of Auditor	<u>Banks and Branches: Complete statements</u>	..	..	<u>Banks and branches: Complete statements</u>
1847	Annual Report of Auditor	<u>Banks and Branches: Capital stock</u>	..	..	" "
1848	"	" "	..	..	" "
1849	" ^{3/}	" "	<u>All banks combined</u> Same as for 1844		" "
1850	Special Report of Auditor	<u>Banks and Branches: Capital stock, average circulation, specie and real estate</u>	..	..	" "
1851	Annual Report of Auditor	<u>Banks and Branches: Capital stock</u>	..	<u>Banks and Branches: Capital stock, circulation, specie</u>	" "
1852	"	<u>Banks: Taxable valuation (loans & discounts)</u>	..	"	" "
	Special Rep't of Auditor	<u>Branches: Circulation</u>		"	" "
1853	Annual Report of Auditor	<u>Banks and branches: Capital and undivided profits, taxable valuation, total liabilities excluding capital and circulation</u>	..		
	Special examination rep'ts	<u>Banks: Complete Statements</u>			

Year	State documents 1/			Information given by other sources 2/		
	Kind of report	Information given 2/		Knox' History of Banking	Homans' Bankers' Almanac 4/	Huntington's article
1854	Special examination reports	Banks: Complete statements		All banks combined: Loans and discounts, specie, capital stock, circulation, deposits	Banks and Branches: Capital stock, circulation, specie	Banks and Branches: Loans and discounts, specie, capital stock, circulation, deposits
1855	Annual report of Auditor	Banks and branches: Complete statements	..	"	"	Banks and Branches: Complete statements
1856	"	"	..	"	"	"
1857	"	"	..	"	All banks combined: Complete statements	"
1858	"	"	..	"	"	"
1859	"	"	Same as for 1854	"	Banks and Branches: Capital stock, circulation, specie	"
1860	"	"	..	"	All banks combined: Complete statements	"
1861	"	"	..	"	"	"
1862	"	"	..	"	"	"
1863	"	"	Same as for 1854	"	Banks and Branches: Complete statements	"
1864	"	"	..	"	Banks and Branches: Capital stock, circulation, specie	..
1865	"	"	..	"	"	..
1866	"	"	..	"	"	..

1/ All information in state documents is given for individual banks or branches of state bank.

2/ The term "bank" refers to old, independent and free banks operating in Ohio; "branch" refers to branches of the State Bank of Ohio

3/ Special examination reports with complete asset and liability statements are available for only 6 banks.

4/ The information listed is given for all banks combined; Homans also gives Capital for individual banks and branches for each year.

Statistical
data

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	997,113 59	Capital stock paid in	-	-	-	993,900 00
Bills of exchange	-	-	514,621 52	Bank notes in circulation	-	-	-	150,931 00
Due from banks	-	-	115,250 13	Discount and premium account	-	-	-	45,686 23
Incidental expenses	-	-	4,484 90	Due banks	-	-	-	64,992 92
Permanent do	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	-	13,016 32
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	-	458,591 02
Notes of other banks	-	139,743 00		Dividends unpaid	-	-	-	1,140 00
Specie	-	181,825 23		Contingent fund	-	-	-	17,517 99
Cash on hand	-	-	321,563 23	Individual deposits	-	-	-	213,386 94
			<u>\$1,959,162 42</u>					<u>\$1,959,162 42</u>

CINCINNATI, June 14, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank, Cincinnati.

Bills and notes discounted	-	-	997,208 64	Capital stock paid in	-	-	-	993,900 00
Bills of exchange do	-	-	526,185 50	Bank notes in circulation	-	-	-	151,352 00
Due from banks	-	-	103,472 32	Discount and premium account	-	-	-	47,917 49
Incidental expenses	-	-	4,482 80	Due to banks	-	-	-	65,920 63
Permanent do	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	-	12,538 00
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	-	460,816 02
Notes of other banks	-	137,725 00		Dividends unpaid	-	-	-	1,110 00
Specie	-	188,802 97		Contingent fund	-	-	-	17,517 99
Cash on hand	-	-	326,527 97	Individual deposits	-	-	-	212,929 15
			<u>\$1,964,001 28</u>					<u>\$1,964,001 28</u>

CINCINNATI, June 21, 1834.

AUGUSTUS MOORE, *Cashier.*

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Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,024,804 03	Capital stock paid in	-	-	993,900 00
Bills of exchange do	-	-	517,204 08	Bank notes in circulation	-	-	162,755 00
Due from banks	-	-	144,393 51	Discount and premium account	-	-	52,520 73
Incidental charges	-	-	6,381 09	Due to banks	-	-	90,950 22
Permanent expenses	-	-	4 000 00	J. H. Groesbeck, pension agent	-	-	11,449 33
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	543,507 65
Notes of other banks	-	181,049 00		Dividends unpaid	-	-	1,080 00
Specie	-	220,327 67		Contingent fund	-	-	17,517 99
			401,376 67	Individual deposits	-	-	226,602 31
			\$2,100,283 43				\$2,100,283 43

CINCINNATI, July 5, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank, Cincinnati.

Domestic bills and notes discounted	-	-	1,037,932 63	Capital stock	-	-	997,650 00
Bills of exchange	-	-	513,494 43	Bank notes in circulation	-	-	178,445 00
Due from banks	-	-	152,238 88	Discount and premium account	-	-	1,352 37
Permanent expenses	-	-	4,000 00	Due to banks	-	-	66,327 41
Personal property	-	-	2,124 05	J. H. Groesbeck, pension agent	-	-	10,244 82
Notes of other banks	-	155,365 00		Treasurer of the United States	-	-	531,923 82
Specie	-	226,990 08		Dividends unpaid	-	-	28,218 50
			582,355 08	Contingent fund	-	-	30,267 31
			\$2,072,145 07	Individual deposits	-	-	227,715 84
							\$2,072,145 07

CINCINNATI, July 12, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,047,579 21	Capital stock	-	-	-	997,650 00
Bills of exchange	-	-	530,762 62	Bank notes in circulation	-	-	-	174,528 00
Due from banks	-	-	117,918 65	Discount and premium account	-	-	-	3,076 47
Incidental charges	-	-	21 60	Due banks	-	-	-	67,148 37
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	-	23,138 00
Personal property	-	-	2,124 05	J. H. Groesbeck, P. Agt.	-	-	-	9,140 17
Notes of other banks	-	-	-	Treasurer of the United States	-	-	-	545,548 82
Specie	-	-	234,827 34	Contingent fund	-	-	-	30,267 31
			380,403 34	Individual deposits	-	-	-	232,312 33
			\$2,082,809 47					\$2,082,809 47

CINCINNATI, July 19, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,056,305 44	Capital stock	-	-	-	997,650 00
Bills of exchange	-	-	547,928 19	Bank notes in circulation	-	-	-	163,879 00
Due from banks	-	-	84,068 75	Discount and premium account	-	-	-	6,055 44
Incidental charges	-	-	1,982 86	Due to banks	-	-	-	74,439 23
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	-	22,613 00
Personal property	-	-	2,124 05	J. H. Groesbeck, pension agent	-	-	-	8,840 77
Notes of other banks	-	-	183,514 00	Treasurer of the United States	-	-	-	576,518 03
Specie	-	-	230,332 05	Contingent fund	-	-	-	30,267 31
			413,846 05	Individual deposits	-	-	-	229,972 56
			\$2,110,255 34					\$2,110,255 34

CINCINNATI, July 26, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,002,696 54	Capital stock	-	-	993,930 00
Bills of exchange	-	-	357,172 03	Bank notes in circulation	-	-	154,161 00
Due from banks	-	-	113,862 46	Discount and premium account	-	-	50,209 00
Incidental charges	-	-	4,508 15	Due banks	-	-	67,612 98
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	1,110 00
Personal property	-	-	2,124 05	J. H. Groesbeck, pension agent	-	-	12,059 53
Notes of other banks	-	140,767 00		Treasurer of the United States	-	-	478,379 88
Specie	-	198,757 81		Contingent fund	-	-	17,517 99
			359,524 81	Individual deposits	-	-	198,929 66
			\$1,973,880 04				\$1,973,880 04

CINCINNATI, June 28, 1834.

AUGUSTUS MOORE, Cashier.

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,054,633 77	Capital stock paid in	-	-	997,630 00
Bills of exchange discounted	-	-	538,077 68	Bank notes in circulation	-	-	174,780 00
Due banks	-	-	113,371 14	Discount and premium account	-	-	8,217 62
Incidental charges	-	-	4,000 00	Due from banks	-	-	66,977 86
Permanent expenses	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	8,499 12
Personal property	-	-	2,124 05	Dividends unpaid	-	-	20,933 00
Notes of other banks	-	158,179 00		Contingent fund	-	-	30,267 31
Specie	-	238,141 77		Individual deposits	-	-	262,370 15
			396,320 77	Treasurer of the United States	-	-	541,115 96
			\$2,110,811 02				\$2,110,811 02

CINCINNATI, August 2, 1834.

AUGUSTUS MOORE, Cashier.

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,032,699 38	Capital stock paid in	-	-	997,650 00
Bills of exchange discounted	-	-	522,703 41	Bank notes in circulation	-	-	185,220 00
Due from banks	-	-	123,543 98	Discount and premium account	-	-	10,580 22
Incidental charges	-	-	2,289 27	Due to banks	-	-	67,752 50
Permanent expenses	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	8,383 61
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	529,770 17
Notes of the U. States and other banks	160,133 00			Contingent fund	-	-	30,267 31
Specie	243,242 75			Dividends unpaid	-	-	20,483 00
			403,375 75	Individual deposits	-	-	262,629 03
			\$2,112,735 84				\$2,112,735 84

CINCINNATI, August 9, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,061,102 04	Capital stock paid in	-	-	997,600 00
Bills of exchange discounted	-	-	519,110 40	Bank notes in circulation	-	-	179,459 00
Due from banks	-	-	119,250 91	Discount and premium account	-	-	12,253 95
Incidental charges	-	-	2,288 02	Due to banks	-	-	83,448 02
Permanent expenses	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	8,343 61
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	525,804 04
Bills of other banks	-	136,519 00		Contingent fund	-	-	30,267 31
Specie	-	256,306 32		Dividends unpaid	-	-	5,318 50
			392,825 32	Individual deposits	-	-	256,716 31
Cash	-	-	\$2,100,700 74				\$2,100,700 74

CINCINNATI, August 16, 1834.

AUGUSTUS MOORE, *Cashier.*

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Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,076,151 37	Capital stock paid in	-	-	997,650 00
Bills of exchange do	-	-	519,951 16	Bank notes in circulation	-	-	186,054 00
Due from banks	-	-	112,876 55	Discount and premium account	-	-	14,340 57
Incidental charges	-	-	2,293 90	Due from banks	-	-	95,466 75
Permanent do	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	7,893 73
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	542,304 04
Notes of other banks	-	148,709 00		Contingent fund	-	-	30,267 31
Specie	-	263,971 42		Dividends unpaid	-	-	3,870 00
			412,680 42	Individual deposits	-	-	252,231 05
			\$2,130,077 45				\$2,130,077 45

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,083,895 57	Capital stock paid in	-	-	995,650 00
Bills of exchange discounted	-	-	520,636 35	Bank notes in circulation	-	-	178,148 00
Due from banks	-	-	515,260 30	Discount and premium account	-	-	16,873 33
Incidental charges	-	-	2,297 65	Due banks	-	-	527,359 58
Permanent expenses	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	32,040 43
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	430,737 32
Notes of the United States Bank	-	72,585 00		Dividends unpaid	-	-	2,799 00
Notes of other banks	-	38,875 00		Contingent fund	-	-	30,267 31
Specie	-	293,389 95		Individual deposits	-	-	\$17,188 90
Cash on hand	-	-	404,849 95				\$2,531,063 87
			\$2,531,063 87				

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,103,598 04	Capital stock paid in	-	-	997,650 00
Bills of exchange	-	-	529,664 49	Bank notes in circulation	-	-	200,739 00
Incidental charges	-	-	2,293 53	Discount and premium account	-	-	19,245 20
Permanent expenses	-	-	4,000 00	Due banks	-	-	153,164 81
Personal property	-	-	2,124 05	Interest account	-	-	275 61
Due banks	-	-	112,901 31	J. H. Groesbeck, pension agent	-	-	29,102 86
Notes of other banks	-	107,927 00		Treasurer of the United States	-	-	394,651 21
Specie	-	287,578 62		Dividends unpaid	-	-	2,099 00
Cash on hand	-	-	395,505 62	Contingent fund	-	-	30,267 31
			\$2,150,087 06	Individual deposits	-	-	322,892 06
							\$2,150,087 06

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,109,432 17	Capital stock paid in	-	-	997,650 00
Incidental expenses	-	-	2,395 40	Bank notes in circulation	-	-	206,552 00
Permanent do	-	-	4,000 00	Discount and premium account	-	-	22,033 94
Personal property	-	-	2,124 05	J. H. Groesbeck, pension agent	-	-	24,001 27
Due from banks	-	-	109,966 44	Treasurer of the United States	-	-	391,454 87
Notes of other banks	-	114,939 00		Dividends unpaid	-	-	1,889 00
Specie	-	293,640 58		Contingent fund	-	-	30,267 31
Cash	-	-	408,579 58	Due banks	-	-	184,725 14
Bills of exchange discounted	-	-	544,537 22	Individual deposits	-	-	322,461 83
			\$2,181,034 86				\$2,181,034 86

CINCINNATI, September 13, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,097,430 69	Capital stock	-	-	-	997,650 00
Bills of exchange	-	-	555,125 25	Bank notes in circulation	-	-	-	212,200 00
Incidental charges	-	-	2,393 43	Discount and premium account	-	-	-	24,578 42
Permanent expenses	-	-	4,000 00	John H. Groesbeck, pension agent	-	-	-	17,690 41
Personal property	-	-	2,124 05	Treasurer of the United States	-	-	-	389,954 87
Due from banks	-	-	152,293 04	Dividends unpaid	-	-	-	1,784 00
Notes of other banks	-	105,676 00		Contingent fund	-	-	-	30,267 31
Specie	-	298,200 72		Due banks	-	-	-	231,113 47
			403,876 72	Individual deposits	-	-	-	312,004 70
			\$2,217,243 18					\$2,217,243 18

September 26, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,100,760 87	Capital stock	-	-	-	999,100 00
Bills of exchange	-	-	551,914 51	Bank notes in circulation	-	-	-	209,741 00
Due from banks	-	-	128,398 61	Discount and premium account	-	-	-	27,179 57
Incidental charges	-	-	2,420 23	Due banks	-	-	-	209,955 90
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	-	1,284 00
Personal property	-	-	2,124 05	John H. Groesbeck, pension agent	-	-	-	15,203 30
Notes of other banks	-	150,661 00		Treasurer of the United States	-	-	-	428,107 15
Specie	-	229,133 33		Individual deposits	-	-	-	248,574 37
			379,794 33	Contingent fund	-	-	-	30,267 31
			\$2,169,412 60					\$2,169,412 60

September 27, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,107,255 98	Capital stock	-	-	999,100 00
Bills of exchange	-	-	550,385 95	Bank notes in circulation	-	-	214,294 00
Due from banks	-	-	106,581 50	Discount and premium account	-	-	30,764 75
Incidental charges	-	-	4,179 73	Due from banks	-	-	208,353 78
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	1,249 00
Personal property	-	-	2,124 05	J. H. Groesbeck, pension agent	-	-	12,505 01
Notes of other banks	-	178,369 00		Treasurer of the United States	-	-	436,861 81
Specie	-	234 412 63		Individual deposits	-	-	253,913 17
			412,781 63	Contingent fund	-	-	30,267 31
			\$2,187,308 83				\$2,187,308 83

October 4, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,118,102 39	Capital stock paid in	-	-	999,100 00
Bills of exchange discounted	-	-	548,057 14	Bank notes in circulation	-	-	218,576 00
Incidental expenses	-	-	4,217 48	Discount and premium account	-	-	33,202 50
Permanent expenses	-	-	4,000 00	J. H. Groesbeck, pension agent	-	-	11,084 43
Personal property	-	-	2,124 05	Dividends unpaid	-	-	1,153 50
Due from banks	-	-	92,457 91	Contingent fund	-	-	30,267 31
Notes of other banks	-	171,869 00		Treasurer of the United States	-	-	425,697 87
Specie	-	217,595 78		Due banks	-	-	185,783 62
				Individual deposits	-	-	253,558 52
Cash on hand	-	-	389,464 78				
			\$2,158,423 75				\$2,158,423 75

CINCINNATI, October 11, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic bills and notes discounted	-	-	1,117,931 31	Capital stock	-	-	999,100 00
Bills of exchange	-	-	568,082 04	Bank notes in circulation	-	-	223,407 00
Due from banks	-	-	49,911 02	Discount and premium account	-	-	35,343 66
Incidental charges	-	-	4,409 00	Due banks	-	-	193,872 60
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	1,118 50
Personal property	-	-	2,124 05	John H. Groesbeck, pension agent	-	-	10,455 37
Notes of other banks	-	-	197,390 00	Treasurer of the United States	-	-	418,490 54
Specie	-	-	221,793 98	Individual deposits	-	-	253,587 42
			419,183 98	Contingent fund	-	-	30,267 31
			<u>\$2,165,642 40</u>				<u>\$2,165,642 40</u>

CINCINNATI, October 18, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Domestic notes and bills-discounted	-	-	1,110,163 84	Capital stock	-	-	999,100 00
Bills of exchange	-	-	579,299 91	Bank notes in circulation	-	-	226,041 00
Due from banks	-	-	79,733 17	Discount and premium account	-	-	37,698 87
Incidental charges	-	-	4,420 49	Due banks	-	-	192,290 77
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	1,118 50
Personal property	-	-	2,124 05	John H. Groesbeck, pension agent	-	-	9,055 30
Notes of other banks	-	-	163,241 00	Treasurer of the United States	-	-	418,150 54
Specie	-	-	222,490 07	Individual deposits	-	-	251,740 24
			385,731 07	Contingent fund	-	-	30,267 31
			<u>\$2,165,472 53</u>				<u>\$2,165,472 53</u>

October 25, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,109,317 07	Capital stock	-	-	999,100 00
Bills of exchange	-	-	602,950 79	Bank notes in circulation	-	-	231,689 00
Incidental charges	-	-	4,431 89	Discount and premium account	-	-	39,422 15
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	1,053 50
Personal property	-	-	2,124 05	Contingent fund	-	-	30,267 31
Due from banks	-	-	122,900 82	John H. Groesbeck, pension agent	-	-	8,030 67
Notes of other banks	-	172,819 00		Treasurer of the United States	-	-	436,292 85
Specie	-	240,356 52		Due banks	-	-	244,796 49
			413,175 52	Individual deposits	-	-	268,248 17
			\$2,258,900 14				\$2,258,900 14

November 1, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,226,476 87	Capital stock	-	-	999,100 00
Bills of exchange	-	-	601,024 44	Bank notes in circulation	-	-	227,280 00
Incidental charges	-	-	4,434 52	Discount and premium account	-	-	42,333 88
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	7,896 00
Personal property	-	-	2,124 05	Contingent fund	-	-	30,267 31
Due from banks	-	-	145,223 68	John H. Groesbeck, pension agent	-	-	7,256 00
Notes of other banks	-	181,080 00		Treasurer of the United States	-	-	414,892 85
Specie	-	207,460 23		Due banks	-	-	262,421 52
			388,540 23	Individual deposits	-	-	287,376 23
			\$2,271,823 79				\$2,271,823 79

November 8, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	-	1,148,881 26	Capital stock	-	-	-	999,100 00
Bills of exchange	-	-	-	534,429 00	Bank notes in circulation	-	-	-	229,006 00
Incidental charges	-	-	-	4,869 02	Discount and premium account	-	-	-	44,424 59
Permanent expenses	-	-	-	4,000 00	Dividends unpaid	-	-	-	896 00
Personal property	-	-	-	2,124 05	Contingent fund	-	-	-	30,267 31
Due from banks	-	-	-	227,017 56	John H. Groesbeck, pension agent	-	-	-	6,640 34
Notes of other banks	-	-	196,395 00		Treasurer of the United States	-	-	-	443,516 04
Specie	-	-	235,999 70		Due to banks	-	-	-	326,002 46
				432,394 70	Individual deposits	-	-	-	273,862 85
				<u>\$2,353,715 59</u>					<u>\$2,353,715 59</u>

November 15, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	-	1,173,793 57	Capital stock	-	-	-	999,100 00
Bills of exchange	-	-	-	528,711 23	Bank notes in circulation	-	-	-	268,237 00
Incidental charges	-	-	-	4,858 64	Discount and premium account	-	-	-	46,912 31
Permanent expenses	-	-	-	4,000 00	Dividends unpaid	-	-	-	896 00
Personal property	-	-	-	2,124 05	Contingent fund	-	-	-	30,267 31
Due from banks	-	-	-	267,460 79	John H. Groesbeck, pension agent	-	-	-	5,879 04
Notes of other banks	-	-	189,508 00		Treasurer of the United States	-	-	-	438,684 54
Specie	-	-	237,867 43		Due other banks	-	-	-	317,830 35
				427,375 43	Individual deposits	-	-	-	300,516 66
				<u>\$2,408,323 71</u>					<u>\$2,408,323 71</u>

November 22, 1834.

AUGUSTUS MOORE, *Cashier.*

Exhibit of the state of the Franklin Bank of Cincinnati.

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted	-	-	1,212,616 51	Capital stock	-	-	999,100 00
Bills of exchange	-	-	537,596 38	Bank notes in circulation	-	-	288,024 00
Incidental charges	-	-	4,935 26	Discount and premium account	-	-	49,150 50
Permanent expenses	-	-	4,000 00	Dividends unpaid	-	-	878 50
Personal property	-	-	2,124 05	Contingent fund	-	-	30,267 31
Due from banks	-	-	248,657 00	John H. Groesbeck, pension agent	-	-	5,656 69
Notes of other banks	-	178,881 00		Treasurer of the United States	-	-	388,377 45
Specie	-	182,578 85		Due to banks	-	-	275,458 23
			361,459 85	Individual deposits	-	-	334,476 37
			\$2,371,389 05				2,371,389 05

CINCINNATI, November 29, 1834.

AUGUSTUS MOORE, *Cashier.*

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State of the Commercial Bank of Cincinnati on Monday, October 6, 1834, ending at close business on Saturday 4th.

Capital stock	-	1,000,000 00	Bills and notes discounted	-	670,308 19
Bank notes issued	382,000 00		lying over unpaid	-	20,509 56
payable at Philadelphia	60,000 00		Bills of exchange payable at New York	-	74,973 91
Contingent fund	-	442,000 00	Philadelphia	-	108,286 78
State of Ohio	-	10,000 00	Louisville	-	108,778 20
Profit and loss	-	2,305 44	New Orleans	-	30,093 85
Dividend No. 1	-	7,567 73	Lexington	-	1,597 92
No. 2	-	90 90	Pittsburgh	-	2,664 46
No. 5	-	151 20	Natchez	-	22,339 87
No. 6	-	88 00	Dayton	-	19,528 42
Cashier Atlas Bank	-	1,305 50	Baltimore	-	4,003 13
North Western Bank of Virginia	-	3,825 06	St. Louis	-	2,123 63
Commercial Bank of Scioto	-	3,710 65	Columbus	-	2,615 61
Girard Bank	-	36 29	Wheeling	-	1,100 27
Bank of Pittsburg	-	606 19	Stock in trust	-	49,600 00
Union Bank of Tennessee	-	15,416 05	Special deposits our post notes, Philad'a	-	4,150 00
Muskingum Bank	-	417 54	Protest account	-	256 23
Bank of Louisville	-	265 41	Remittance to Philadelphia	-	1,000 00
Discount account	14,146 00	1,682 06	Cashier Franklin Bank of Columbus	-	334 42
Premium	516 47		Union Bank of Maryland	-	489 42
Treasurer of the United States	-	14,662 47	Schuylkill Bank	-	47,454 12
Individual depositors	-	22,923 67	Office Bank U. S. Lexington	-	206 72
		130,398 31	Louisville	-	217 48
			St. Louis	-	676 43
			Natchez	-	5,196 97
			New Orleans	-	15,079 05
			Farmers and Mechanics' Bank,	-	140 54
			Steubenville	-	6,699 83
			Bank of America	-	3,666 11
			Dayton Bank	-	3,254 00
			Commercial Bank, New Orleans	-	6,591 69
			Union Bank of Louisiana	-	5,139 00
			Franklin Bank of Cincinnati	-	101 50
			Lancaster, Ohio, Bank	-	1,600 00
			Permanent expenses	-	

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State of the Commercial Bank of Cincinnati, Monday, September 29, 1834.

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Capital stock	-	1,000,000 00	Bills and notes discounted	-	660,544 96
Bank notes issued	382,000 00		unpaid	-	20,509 56
payable at Philadelphia	60,000 00		Bills of exchange payable at New York	-	69,973 91
		442,000 00	Philadelphia	-	117,891 64
Contingent fund	-	10,000 00	Louisville	-	105,833 20
State of Ohio	-	2,305 44	New Orleans	-	23,758 97
Profit and loss	-	7,567 73	Lexington	-	1,495 92
Dividend No. 1	-	90 00	Pittsburgh	-	3,028 88
No. 2	-	151 20	Natchez	-	20,339 87
No. 5	-	88 00	Dayton	-	19,528 42
No. 6	-	21,619 50	Baltimore	-	2,003 13
Cashier Dayton Bank	-	2,294 89	St. Louis	-	1,996 13
Atlas Bank	-	1,748 00	Columbus	-	3,923 61
Union Bank of Maryland	-	126 22	Wheeling	-	1,100 27
Northwestern Bank of Virginia	-	2,876 91		-	49,600 00
Commercial Bank of New Orleans	-	193 50	Stock in trust	-	
Commercial Bank of Scioto	-	36 29	Special deposit, our post notes, Philadelphia	-	4,150 00
Girard Bank	-	9 44	Protest account	-	256 23
Bank of Pittsburgh	-	8,379 20	Remittance to Philadelphia, gold	-	4,006 06
Union Bank of Tennessee	-	417 54	Cashier Franklin Bank of Columbus	-	43 42
Muskingum Bank	-	265 41	Bank of Louisville	-	6,220 76
Franklin Bank of Cincinnati	-	11,062 00	Schuylkill Bank	-	65,775 55
Discount account	12,882 51		F. and M. Bank of Steubenville	-	140 54
Premium	317 10		Bank of America	-	7,043 11
		13,199 61	Union Bank of Louisiana	-	6,091 69
Treasurer of the United States	-	15,962 34	Lancaster, Ohio, Bank	-	101 50
Individual depositors	-	119,806 75	Office Bank U. S., Lexington	-	206 72
			Louisville	-	217 48
			St. Louis	-	553 93
			Natchez	-	5,196 97
			New Orleans	-	15,136 69
			Permanent expenses	-	1,600 00
			Incidental do	-	848 19

Cash balance, viz.			
Bank notes issued -	382,000		
payable in Philad'a	60,000		
		442,000	00
Philad'a	6,503		
In circulation -	132,415		
		138,920	00
Philadelphia	53,495		
On hand -	249,585		
		303,080	00
United States notes	-	35,940	00
Franklin Bank of Cincinnati notes	-	4,868	00
Ohio notes	-	9,095	00
Specie -	-	88,099	66
			441,082 66
	\$1,660,199 97		\$1,660,199 97

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COMMERCIAL BANK, Cincinnati, September 29, 1854.

The state of this bank, as within exhibited, closes the business of the institution, including Saturday, September 27.

WM. S. HATCH, Cashier.

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State of the Commercial Bank of Cincinnati, on Monday, 20th October, 1834.

Capital stock	-	1,000,000 00	Bills and notes discounted	-	679,629 49
Bank notes issued	382,000 00		Do lying over unpaid	-	20,509 56
Do payable at Philadelphia	60,000 00		Bills of exc. payable at New York	-	74,973 91
Contingent fund	-	442,000 00	Do do Philadelphia	-	99,970 97
State of Ohio	-	10,000 00	Do do Louisville	-	114,958 62
Profit and loss	-	2,305 44	Do do New Orleans	-	30,526 09
Dividend No. 1	-	7,567 73	Do do Lexington	-	1,797 78
Do No. 2	-	90 00	Do do Pittsburgh	-	3,264 46
Do No. 5	-	151 20	Do do Natchez	-	22,589 87
Do No. 13	-	88 00	Do do Dayton	-	20,576 72
Cashier Atlas Bank	-	1,169 00	Do do Baltimore	-	4,153 13
Do Northwestern Bank of Virginia,	-	7,398 46	Do do St. Louis	-	2,123 63
Do Wheeling	-	3,482 79	Do do Columbus	-	2,213 00
Do Bank of Chillicothe	-	927 50	Do do Wheeling	-	3,538 52
Do Commercial Bank of Scioto	-	36 29	Stock in trust	-	49,600 00
Do Girard Bank	-	1,346 35	Special deposit of our post notes at	-	
Do Bank of Pittsburgh	-	18,439 98	Philadelphia	-	4,150 00
Do Union Bank of Tennessee	-	417 54	Protest account	-	256 23
Do Muskingum Bank	-	265 41	Remittance to Philadelphia	-	1,000 00
Ohio Life Insurance and Trust Company	-	*32,863 00	Cashier Franklin Bank of Columbus	-	661 92
Treasurer of the United States	-	49,001 81	Do Union Bank of Maryland	-	489 42
Discount account	19,886 26		Do Bank of Louisville	-	1,817 64
Premium	650 63		Do Schuylkill Bank	-	38,563 36
Individual depositors	-	20,516 89	Do F. & M. Bank, Steubenville	-	140 54
		58,019 49	Do Bank of America	-	1,165 24
			Do Dayton Bank	-	2,792 36
			Do Commercial Bank of N. Orleans	-	3,254 00
			Do Union Bank of Louisiana	-	6,588 69
			Do Franklin Bank of Cincinnati	-	11,017 00
			Do Lancaster Ohio Bank	-	101 50
			Do Office Bank U. S. Lexington	-	253 47
			Do do Louisville	-	217 48
			Do do St. Louis	-	2,386 43
			Do do New Orleans	-	17,256 72
			Do do Natchez	-	8,196 97

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Lancaster, Ohio, Bank	-	-	101 50
Franklin Bank of Cincinnati	-	-	10,162 00
Permanent expenses	-	-	1,600 00
Incidental expenses	-	-	2,346 45
Cash balance, viz.	-	-	
Bank notes issued -	382,000		
payable at Philad.	60,000		
		442,000 00	
In circulation	Philad.	6,345	
	-	133,727	
		140,072 00	
On hand	Philadelphia	53,655	
	-	248,273	
		301,928 00	
United States notes	-	29,190	29,190 00
Franklin Bank of Cincinnati notes	-	-	3,346 00
Ohio notes	-	-	8,910 00
Eastern notes	-	-	860 00
Specie	-	-	82,875 24
			427,109 24
			\$1,670,377 00
			\$1,670,377 00

State of the Commercial Bank of Cincinnati, Monday, October 27, 1834.

Capital stock	-	-	1,000,000 00	Bills and notes discounted	-	-	694,630 06
Bank notes issued	-	382,000 00		lying over unpaid	-	-	20,509 56
payable at Philadelphia	-	60,000 00		Bills of exchange payable at New York	-	-	75,973 91
			442,000 00	Philadelphia	-	-	103,125 33
Contingent fund	-	-	10,000 00	Louisville	-	-	119,758 62
State of Ohio	-	-	2,305 44	N. Orleans	-	-	35,540 09
Profit and loss	-	-	7,567 73	Lexington	-	-	1,797 78
Dividend No. 1	-	-	90 00	Pittsburgh	-	-	3,864 46
No. 2	-	-	151 20	Natchez	-	-	22,589 87
No. 5	-	-	88 00	Dayton	-	-	19,044 99
No. 6	-	-	1,169 00	Baltimore	-	-	4,153 13
Cashier, Office Bank U. States, Natchez	-	-	4,803 03	St. Louis	-	-	3,153 43
Bank of Louisville	-	-	5,006 64	Columbus	-	-	2,374 32
Atlas Bank	-	-	8,455 35	Wheeling	-	-	4,628 46
Northwestern Bank of Va.	-	-	3,586 04	Lancaster, O.	-	-	600 00
Bank of Chillicothe	-	-	927 50	Stock in trust	-	-	49,600 00
Commercial Bank of Scioto	-	-	36 29	Special deposit of our post notes at Phil.	-	-	4,150 00
Girard Bank	-	-	140 35	Protest account	-	-	252 23
Bank of Pittsburgh	-	-	16,412 89	Cashier of Franklin Bank of Columbus	-	-	1,040 53
Union Bank of Tennessee	-	-	417 54	Union Bank of Maryland	-	-	489 42
Muskingum Bank	-	-	265 41	Schuylkill Bank	-	-	24,260 55
Discount account	-	21,009 01		Office Bank United States,	-	-	
Premium	-	654 15		New Orleans	-	-	756 72
			21,663 16	Lexington	-	-	253 47
Ohio Life Insurance and Trust Company	-	-	52,863 00	Louisville	-	-	717 48
Treasurer of the United States	-	-	64,316 37	St. Louis	-	-	1,786 45
Individual depositors	-	-	72,752 91	Farmers and Mechanics' Bank	-	-	
				Steubenville	-	-	140 54
				Bank of America	-	-	4,713 11
				Dayton Bank	-	-	1,500 59
				Commercial Bank of New	-	-	
				Orleans	-	-	35,254 00
				Union Bank of Louisiana	-	-	6,493 69
				Lancaster, Ohio, Bank	-	-	101 50
				Franklin Bank of Cincinnati	-	-	11,995 00

State of the Commercial Bank of Cincinnati, on Monday, November 3, 1834.

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Capital stock	-	1,000,000 00	Bills and notes discounted	-	701,571 01
Bank notes issued	382,000 00		Bills lying over unpaid	-	22,352 56
payable at Philadelphia	60,000 00		Bills of exchange payable at New York	-	34,009 01
Contingent fund	-	442,000 00	Philadelphia	-	87,394 20
State of Ohio	-	10,000 00	Louisville	-	120,823 64
Profit and loss	-	2,305 44	New Orleans	-	43,707 99
Dividend, No. 1	-	7,475 03	Lexington	-	1,797 78
No. 2	-	90 00	Pittsburg	-	4,244 55
No. 3	-	151 20	Natchez	-	22,589 87
No. 4	-	88 00	Dayton	-	19,703 55
No. 5	-	609 00	Baltimore	-	4,153 13
Cashier Office Bank U. States, Natchez	-	4,803 03	St. Louis	-	3,083 80
Bank of Louisville	-	4,330 68	Columbus	-	2,692 38
Atlas Bank	-	510 40	Wheeling	-	4,928 46
Yeatman, Woods, & Co. Banking	-		Lancaster	-	600 00
and exchange company	-	3 00	Stock in trust	-	63,100 00
Northwestern Bank of Virginia	-	3,521 04	Special deposit on post notes at Philadelphia	-	4,150 00
Bank of Chillicothe	-	927 00	Protest account	-	252 23
Commercial Bank, Scioto	-	573 92	Cashier Franklin Bank, Columbus	-	1,040 53
Girard Bank	-	140 35	Union Bank, Maryland	-	389 42
Bank of Pittsburgh	-	16,444 77	Office Bank U. S., New Orleans	-	756 72
Muskingum Bank	-	265 41	Lexington	-	328 47
Union Bank, Tennessee	-	417 54	Louisville	-	717 48
Ohio Life Insurance and Trust Company	-	52,863 00	St. Louis	-	3,011 06
The Treasurer of the United States	-	64,316 37	Schuylkill Bank	-	21,980 50
Discount account	22,833 70		F. and M. Bank, Steubenville	-	140 54
Premium	676 48		Bank of America	-	60,021 78
Individual depositors	-	23,510 18	Dayton Bank	-	5,892 88
		101,053 81	Commercial Bank, New Orleans	-	32,254 00
			Union Bank, Louisiana	-	5,885 34
			Franklin Bank of Cincinnati	-	5,771 00
			Lancaster Ohio Bank	-	101 50
			Permanent expenses	-	1,600 00

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Incidental expenses	-	-	2,384 51
Cash balance, viz.			
Bank notes issued	382,000		
payable at Phila.	60,000		
		442,000 00	
In circulation	Phila. 6,170		
	144,253		
		150,423 00	
On hand	Phila. 53,830		
	237,747		
		291,577 00	
United States notes	-	59,090 00	
Franklin Bank, Cincinnati notes	-	11,301 00	
Ohio notes	-	7,127 00	
Eastern notes	-	3,470 00	
Specie	-	80,404 78	
			452,969 78
			\$1,736,399 67
	\$,736,399 67		

State of the Commercial Bank of Cincinnati, Monday, November 10, 1834.

Capital stock	-	1,000,000 00	Bills and notes discounted	-	713,711 74
Bank notes issued	382,000 00		lying over, unpaid	-	22 150 35
payable at Philadelphia	60,000 00		Bills of exchange payable at New York	-	34,009 01
		442,000 00	Philadelphia	-	87,394 20
Contingent fund	-	10,000 00	Louisville	-	132,323 64
State of Ohio	-	2,305 44	N. Orleans	-	48,824 83
Profit and loss	-	7,507 78	Lexington	-	1,491 05
Dividend No. 1	-	90 00	Pittsburgh	-	4,244 55
No. 2	-	151 20	Natchez	-	20,089 87
No. 5	-	88 00	Dayton	-	21,097 90
No. 6	-	609 00	Baltimore	-	4,153 13
Cashier Office Bank U. States, Natchez	-	2,153 03	St. Louis	-	3,083 80
Atlas Bank, Boston	-	1,169 90	Columbus	-	2,692 38
Yeatman, Woods, & Co., Banking	-		Wheeling	-	4,928 46
and Exchange House	-	1 00	Lancaster	-	600 00
Northwestern Bank, Virginia	-	2,271 24		-	63,100 00
Bank of Chillicothe	-	927 50	Stock in trust	-	
Commercial Bank, Scioto	-	1,673 92	Special deposit of our post notes, Philadelphia	-	4,150 00
Girard Bank	-	140 35	Protest account	-	252 23
Bank of Pittsburgh	-	15,303 53	Cashier Bank of Louisville	-	2,370 49
Dayton Bank	-	707 12	Franklin Bank of Columbus	-	1,040 53
Muskingum Bank	-	265 41	Union Bank, Maryland	-	201 42
Ohio Life Insurance and Trust Company	-	52,863 00	Office Bank U. S., New Orleans	-	756 72
Treasurer of the United States	-	95,790 50	Lexington	-	635 20
Discount account	24,029 86		Louisville	-	717 48
Premium	742 99		St. Louis	-	1,811 06
		24,772 85		-	14,093 24
Individual depositors	-	90,089 77	Schuylkill Bank	-	
			Farmers and Mechanics' Bank,	-	
			Steubenville	-	140 54
			Bank of America	-	54,796 78
			Commercial Bank, New Orleans	-	32,254 00
			Union Bank, Louisiana	-	700 92
			Franklin Bank, Cincinnati	-	1,775 00
			Lancaster Ohio Bank	-	101 50

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Permanent expenses	-	-	1,600 00
Incidental do	-	-	2,634 51
Cash balance, viz.			
Bank notes issued	582,000 00		
payable Philad.	60,000 00		
		442,000 00	
Philad.	6,000 00		
In circulation	154,231 00		
		160,321 00	
Philad.	53,910 00		
On hand	227,769 00		
		281,679 00	
United States notes	-	59,887 00	
Franklin Bank, Cincinnati, do	-	5,004 00	
Ohio do	-	30,435 00	
Eastern do	-	4,425 00	
Specie	-	85,254 01	
		466,954 01	
	\$1,750,880 54		\$1,750,880 54

State of the Commercial Bank of Cincinnati, Monday, November 17, 1834.

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Capital stock	-	1,000,000 00	Bills and notes discounted	-	752,065 04
Bank notes issued	382,000 00		lying over unpaid	-	21,595 07
payable at Philadelphia	60,000 00		Bills of exchange payable at New York	-	48,809 01
		442,000 00	Philadelphia	-	24,261 96
Contingent fund	-	10,000 00	Louisville	-	138,576 34
State of Ohio	-	2,305 44	New Orleans	-	61,291 90
Profit and loss	-	7,194 39	Lexington	-	1,491 05
Dividend, No. 1	-	90 00	Pittsburgh	-	4,244 55
No. 2	-	151 20	Natchez	-	20,089 87
No. 5	-	88 00	Dayton	-	22,560 09
No. 6	-	609 00	Baltimore	-	4,003 13
Cashier Office Bank U. S., Natchez	-	2,155 03	St. Louis	-	3,351 98
Atlas Bank, Boston	-	1,967 49	Columbus	-	2,692 38
Yeatman, Woods, & Co., banking	-		Wheeling	-	4,728 46
and exchange house	-	1 00	Lancaster	-	600 00
Northwestern Bank, Virginia	-	2,446 66		-	63,100 00
Bank of Chillicothe	-	927 50	Stock in trust	-	
Commercial Bank of Scioto	-	3,709 22	Special deposit of our post notes at	-	
Girard Bank	-	138 35	Philadelphia	-	4,150 00
Bank of Pittsburgh	-	15,393 61	Protest account	-	252 23
Dayton Bank	-	880 12	Cashier Bank of Louisville	-	2,682 99
Franklin Bank of Columbus	-	3 47	Union Bank of Maryland	-	351 42
Ohio Life Insurance and Trust Company	-	52,863 00	Schuylkill Bank	-	27,799 17
Treasurer of the United States	-	95,790 50	Office Bank U. S., New Orleans	-	756 72
Discount account	26,535 56		Lexington	-	635 20
Premium	757 70		Louisville	-	717 48
		27,293 26	St. Louis	-	1,811 06
Individual depositors	-	88,908 19	F. and M. Bank, Steubenville	-	140 54
			Bank of America	-	53,864 94
			Commercial Bank of N. Orleans	-	32,254 00
			Union Bank of Louisiana	-	700 92
			Lancaster, Ohio, Bank	-	251 50
			Franklin Bank of Cincinnati	-	754 00
			Permanent expenses	-	1,600 00
			Incidental do	-	3,034 51

578

Cash balance, viz.
Bank notes issued - 382,000
 payable at Philad'a - 60,000

Cash balance, viz.		
Bank notes issued -	382,000	
payable at Philad'a	60,000	
		442,000 00
Philad'a	6,045	
In circulation -	161,390	
		167,435 00
Philadelphia	53,955	
On hand -	220,610	
		274,565 00
United States' notes	-	47,508 60
Franklin Bank of Cincinnati notes	-	8,377 00
Ohio notes	-	28,420 00
Eastern notes	-	5,630 00
Specie	-	85,235 32
		449,735 92
	\$1,754,933 43	\$1,754,933 43

579

[8]

State of the Commercial Bank of Cincinnati on Monday, November 24, 1834.

Capital stock	-	1,000,000 00	Bills and notes discounted	-	765,354 60
Bank notes issued	382,000 00		lying over unpaid	-	21,595 07
payable at Philadelphia	60,000 00		Bills of exchange payable at N. York	-	48,809 01
		442,000 00	Philadelphia	-	26,561 96
Contingent fund	-	10,000 00	Louisville	-	145,317 50
State of Ohio	-	2,305 44	N. Orleans	-	78,925 09
Profit and loss	-	7,194 39	Lexington	-	1,491 05
Dividend No. 1	-	90 00	Pittsburgh	-	6,352 29
No. 2	-	151 20	Natchez	-	20,089 87
No. 5	-	88 00	Dayton	-	25,002 78
No. 6	-	609 00	Baltimore	-	4,183 69
Cashier Office Bank U. States, Natchez	-	2,153 03	St. Louis	-	3,351 98
Atlas Bank, Boston	-	5,428 83	Columbus	-	3,542 38
Yeatman, Woods, and Company,	-	1 00	Wheeling	-	5,453 46
banking and exchange house	-		Lancaster	-	600 00
Northwestern Bank of Virginia	-	3,846 49	Stock in trust	-	63,100 00
Bank of Chillicothe	-	91 08	Special deposit, our post notes, Phila-	-	
Commercial Bank of Scioto	-	3,850 89	delphia	-	4,150 00
Bank of Marietta	-	600 00	Protest account	-	252 23
Pittsburgh	-	17,368 27	Cashier Frankl n Bank of Columbus	-	146 53
Dayton Bank	-	1,635 12	Bank of Louisville	-	8 913 91
Lafayette Bank of Cincinnati	-	10,794 00	Union Bank of Maryland	-	2,351 42
Ohio Life Insurance and Trust Company	-	52,863 00	Schuylkill Bank	-	30,111 73
Treasurer of the United States	-	143,657 73	Office Bank U. S., New Orleans	-	1,556 72
Discount account	28,307 93		Lexington	-	735 20
Premium	850 07		Louisville	-	717 48
		29,158 00	St. Louis	-	1,011 06
Individual depositors	-	110,143 50	Girard Bank	-	39,861 65
			F. and M. Bank, Steubenville	-	140 54
			Bank of America	-	17,848 22
			Commercial Bank, New Orleans	-	29,254 00
			Union Bank, Louisiana	-	700 92
			Lancaster, Ohio, Bank	-	101 50
			Franklin Bank of Cincinnati	-	3,126 00

Permanent expenses	-	1,600 00
Incidental do	-	3,037 63
Cash balance, viz.	-	
Bank notes issued	- 382,000	

[8]

580

Permanent expenses	-	-	1,600 00
Incidental do	-	-	3,037 63
Cash balance, viz.	-	-	-
Bank notes issued	-	382,000	-
payable in Phil'a	-	60,000	-
			442,000 00
	Phil'a	5,980	-
In circulation	-	177,156	-
			183,136 00
	Philadelphia	54,020	-
On hand	-	204,844	-
			258,864 00
United States' notes	-	-	51,170 00
Franklin Bank of Cincinnati notes	-	-	12,008 00
Ohio notes	-	-	53,055 00
Eastern notes	-	-	18,025 00
Specie	-	-	85,559 50
			478,681 50
\$1,844,028 97			\$1,844,028 97

State of the Commercial Bank of Cincinnati, Monday, December 1, 1834.

Capital stock	-	1,000,000 00	Bills and notes discounted	-	782,746 40
Bank notes issued	382,000 00		lying over unpaid	-	21,595 07
payable in Philadelphia	60,000 00		Bills of exchange payable at New York	-	61,309 01
		442,000 00	Philadelphia	-	26,561 96
Contingent fund	-	10,000 00	Louisville	-	164,444 25
State of Ohio	-	2,305 44	New Orleans	-	103,061 56
Profit and loss	-	7,194 39	Lexington	-	1,491 05
Dividend No. 1	-	90 00	Pittsburgh	-	7,852 29
No. 2	-	151 20	Natchez	-	20,089 87
No. 5	-	88 00	Dayton	-	29,947 74
No. 6	-	609 00	Baltimore	-	4,583 69
Cashier Office Bank U. S., Natchez	-	2,153 03	St. Louis	-	3,853 23
Yeatman, Woods, and Co., bank-	-		Columbus	-	3,542 38
ing and exchange house	-	1 00	Wheeling	-	4,363 52
Northwestern Bank of Virginia	-	3,117 21	Lancaster	-	600 00
Bank of Chillicothe	-	379 78	Nashville	-	166 50
Commercial Bank of Scioto	-	3,850 89	Protest account	-	252 23
Bank of Marietta	-	600 00	Stock in trust	-	63,100 00
Pittsburgh	-	16,533 14	Special deposits, our post notes, Philad'a	-	4,150 00
Dayton Bank	-	2,423 50	Cashier Atlas Bank Boston	-	1,828 10
La Fayette Bank of Cincinnati	-	10,794 00	Franklin Bank, Columbus	-	525 03
Clinton Bank of Columbus	-	288 00	Bank of Louisville	-	10,312 13
Commercial Bank of New Orleans	-	2,746 00	Union Bank of Maryland	-	1,916 92
Franklin Bank of Cincinnati	-	96 00	Schuylkill Bank	-	21,036 16
Ohio Life Insurance and Trust Company	-	52,863 00	Office Bank U. S., New Orleans	-	2,986 72
Treasurer of the United States	-	175,523 08	Lexington	-	735 20
Discount account	31,440 23		Louisville	-	717 48
Premium	755 70		St. Louis	-	1,054 43
		32,195 93	Girard Bank	-	39,863 65
Individual depositors	-	111,883 81	Farmers and Mechanics' Bank,	-	
			Steubenville	-	140 54
			Bank of America	-	17,883 73
			Union Bank of Louisiana	-	700 92
			Lancaster, Ohio, Bank	-	101 50

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C-86.

Exhibit of the state of the Franklin Bank of Cincinnati.

Bills and notes discounted (domestic) - - -	\$841,233 83	Capital stock paid in - - -	\$935,375
Bills of exchange discounted - - -	518,758 42	Discount and premium accounts - - -	43,134 52
Due from various banks - - -	84,790 53	Due various banks - - -	22,642 24
Incidental expenses - - -	8,280 88	Bank notes issued - - -	\$349,000
Cash on hand - - -	115,138 61	on hand - - -	93,169
		Circulation - - -	255,811
		Individual deposits - - -	174,069 72
		Treasurer of the United States - - -	137,099 79
	1,568,132 27		1,568,132 27

CINCINNATI, December 7, 1833.

R. A. DAYTON, Bookkeeper.

C.-27.

General statement of the accounts of the Commercial Bank of New Orleans, 30th November, 1833, inclusive.

Bank estate - - -	54,483	Bills payable - - -	55,000
Bills receivable - - -	23,538 39	Corporation of the city of New Orleans, sinking fund - - -	3,750
Bank of America, New York - - -	487,386 12	Capital stock paid in - - -	817,835
Contingent expenses - - -	4,597 72	Discount account - - -	10,861 85
Notes and bills discounted at 6 per ct. p. ann. \$77,022 55		Exchange account - - -	707 35
Do. do. at 7 per ct. p. ann. 243,680 34		Interest account - - -	9,449 18
	320,702 89	Surplus subscription (not returned) - - -	100
Stephen E. Perey - - -	500	W. G. Hewes, president - - -	1,500 00
Randon, Wright, & Co., New York - - -	1,500	Bank notes issued - - -	90,000
Schuylkill Bank, Philadelphia - - -	10,645	Mechanics' Bank, New Orleans - - -	1,210 67
Cash and notes on hand - - -	135,903 73	Bank of Orleans - - -	90
Union Bank, New Orleans - - -	67,333 37	Treasurer United States - - -	18,000
Office discount and deposite, Bank U. S. - - -	5,420	Individual accounts - - -	129,962 26
Canal and Banking Company - - -	25,476 49		
City bank - - -	50		
Bank of Louisiana - - -	930		
	\$1,138,466 31		\$1,138,466 31

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OHIO—Continued.

Franklin Bank of Columbus.

Date.		Loans and dis- counts.	Specie.	Treasurer United States.	Public offi- cers.	Circulation.
1836. July	27	\$687,475	\$132,904	\$50,000	-	\$387,879
Aug.	10	703,608	126,688	124,333	-	374,974
	24	728,689	117,862	124,333	-	371,268
Sept.	7	792,752	101,786	124,333	-	373,109
	21	788,230	95,196	174,333	-	355,065
Oct.	5	742,875	97,557	204,363	-	310,048
	19	704,760	121,703	204,363	-	289,813
Nov.	2	687,011	120,919	204,363	-	272,104
	16	649,931	120,230	194,863	-	281,555
	30	659,889	157,611	224,863	-	293,907
Dec.	1	667,811	157,890	324,863	-	295,449

Bank of Chillicothe.

1836. Oct.	19	400,623	167,611	-	-	324,017
	31	339,795	165,119	-	-	372,085
Nov.	14	349,249	164,580	-	-	401,949
	28	400,190	165,214	-	-	435,515

Bank of Cleveland.

1836. Nov.	3	376,579	58,086	-	-	187,491
Dec.	1	380,008	60,672	-	-	209,595

Commercial Bank of Lake Erie, at Cleveland.

1836. July	20	545,294	50,274	-	-	389,742
Sept.	16	918,065	60,042	-	-	362,013
Oct.	15	637,646	42,192	-	-	292,039
Nov.	1	634,873	141,910	100,000	-	272,046
	15	638,395	140,721	199,133	-	299,225
Dec.	1	639,118	141,748	199,133	-	330,318

Bank of Wooster.

1836. Nov.	7	298,128	33,648	-	-	200,843
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MISSOURI.

Agency of the Commercial Bank of Cincinnati, at St. Louis.

Date.	Loans and discounts.	Specie.	Treasurer United States.	Public officers.	Circulation.
1836. July 1	1,466,223	298,215	2,804,330	62,043	
16	1,484,893	209,901	3,031,187	50,137	
31	1,412,081	242,181	2,766,764	92,030	
Aug. 13	1,394,140	192,073	2,471,054	188,876	
27	1,480,374	152,857	2,340,554	135,914	
Sept. 17	1,609,684	117,530	2,238,294	136,918	
30	1,634,830	141,760	2,144,450	101,615	
Oct. 15	1,653,948	97,211	2,004,626	90,220	
29	1,707,439	114,920	1,910,103	77,195	
Nov. 12	1,703,656	161,298	2,108,899	61,738	

MICHIGAN.

Bank of the River Raisin.

1836. July 9	247,245	21,100	-	-	178,279
Oct. 15	214,456	40,933	80,000	-	121,262
22	218,997	46,568	80,000	-	127,960
29	223,436	44,734	80,000	-	127,954
Nov. 15	229,818	46,134	80,000	-	138,600
30	231,197	47,610	80,000	-	152,362

Bank of Michigan, at Detroit.

1836. July 1	2,261,329	78,214	1,698,250	35,490	868,902
15	2,387,014	85,999	1,662,067	64,740	949,870
Aug. 1	1,878,723	242,893	1,812,352	83,575	981,287
15	1,842,559	228,055	2,145,808	61,910	998,285
Sept. 1	1,651,990	181,510	1,738,209	59,364	701,955
15	1,740,017	103,613	1,473,273	228,125	674,057
Oct. 1	1,567,720	103,613	1,254,930	253,945	640,000
15	1,576,723	125,912	1,412,518	107,851	660,596
Nov. 1	1,478,786	189,062	1,320,417	89,794	584,247
15	1,478,730	257,117	1,090,206	123,561	593,162
Dec. 1	1,375,566	326,635	1,190,513	111,950	575,719

MICHIGAN—Continued.

Farmers and Mechanics' Bank.

Date.	Loans and discounts.	Specie.	Treasurer United States.	Public officers.	Circulation.
1896, July 1	816,047	67,184	1,463,010	6,773	340,190
15	823,470	69,963	1,358,010	7,080	322,961
Aug. 1	758,026	62,945	1,447,922	7,368	336,458
15	682,983	176,079	1,187,685	118,894	325,011
Sept. 1	800,540	147,010	1,265,658	12,073	306,819
15	756,240	72,741	900,700	85,117	311,778
30	735,147	58,543	1,029,200	208,127	325,148
Oct. 15	664,784	79,624	579,200	103,232	307,609
Nov. 1	617,912	69,954	295,700	141,700	227,995
15	627,457	53,632	254,501	65,653	230,252
Dec. 1	613,986	48,262	265,541	53,258	202,506

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