expedient to which banks too readily resort in critical times. The Bank of England was extremely reluctant to part with this privilege, which it had so recklessly abused, and in which abuse it was, with little regard to justice, countenan­ced by those who then ruled the country. During the com­mercial pressure of 1814, all the banks south of New England suspended their cash payments; and they were countenan­ced in this proceeding by the merchants of New York and other places, though not by the government or congress, where other and wiser views prevailed. the merchants depending on the banks for accommodation, did not insist on a strict fulfilment of their engagements, lest it should compel them to contract their discounts, and to call in their debts, which would have added to the general distress. It is accordingly mentioned as a proof that public opinion was in favour of the banks, that in Massachusetts “ suits for refusing specie were instituted against thirteen only of all the banks, and those suits are for trifling amounts.”@@1 The same feeling prevailed in all the other states. " The suspension,” says the comptroller of the state of New York, in his Report, “ was forced upon the New York banks by several powerful classes of persons, as a mea­sure of relief,” on the supposition that as soon as the banks were relieved from the obligation of redeeming their notes, they would discount more freely.@@\* The attention of the Congress and of the legislatures of the different states was deeply aroused by the catastrophe which had befallen the banks, and the credit and commerce of the country ; and acts were passed for regulating the issues, and the general management of their business. Commissioners were also appointed to inquire into the general condition of all the banks, to call for and examine their books or accounts; and they were empowered to bring the case of any bank under the consideration of a court of law, which might issue an injunction to its managers, setting aside and appointing re­ceivers to take charge of its effects. Various acts were passed abolishing the issue of notes under the value of five dollars, and fixing a certain proportion between the circu­lation and the liabilities of the different banks. By an act passed in 1838, it is declared, that when any bank shall transfer to the comptroller of banks, an officer appointed in each state, a given amount of the public debt, he shall re­ceive in return from the said comptroller an equal amount of circulating notes, which the said comptroller is required to cause to be printed and engraved, and to be countersigned, numbered, and registered in proper books, kept in his office, and to be delivered to any bank on the conditions above specified. According to this law, the circulating notes of banks are to be furnished by the state ; and for the whole amount delivered, an equal amount of public stock, on which the bank receives interest, must be conveyed to the comp­troller, as a security to the public for the payment of the notes.

The commissioners appointed to inquire into the condi­tion of the banks made their reports, containing the returns of their capital, circulation, discounts, specie, deposits, &c. ; besides just and clear views of the principles of paper currency, and of the necessity of specie payments to the maintenance of its value. From these reports, it appears that the American banks, with few exceptions, were solvent. They had ample funds for the discharge of their debts, though their stock of specie proved unequal to the ruinous drains to which they were exposed during the prevailing panic. A table is subjoined, containing a condensed state­ment of the capital, the circulation, deposits, debts due to other banks, other liabilities, together with the amount of specie in the different banks of the United States, on the 1st January 1889.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| State or Territory. | Date. | No. of Banks. | No. of Branches. | Capital. | Specie. | Circulation. | Deposits. | Due to other Banks. | Other Liabi­lities. |
| Maine | Jan. 7, 1839 | 50 |  | Dollars.  4,959,000 | Dollars.  303,605 | Dollars.  2,036,640 | Dollars.  816,824 | Dollars.  117,974 | Dollars.  189,876 |
| New Hampshire | Dec. 3, 1838 | 28 | ... | 2,939,500 | 187,961 | 1,510,691 | 522,036 |
| Vermont | Sept. Oct. | 19 |  | 1,304,530 | 157,033 | 2,043,843 | 330,772 | 4,973 |  |
| Massachusetts | 110 |  | 34,630,000 | 2,391,624 | 9,400,412 | 7,122,642 | 3,526,086  875,296 | 2,498,575  582,139  4,587,600 |
| Rhode Island | Jan. 1839 | 62 |  | 9,863,773  36,801,400 | 462,002 | 1,806,108 | 972,766 |
| New York. | Jan. 1, ... | 96 | 2 | 6,602,708 | 19,373,149 | 18,370,044 | 15,344,098 |
| Pennsylvania | Nov. 1838 | 49 |  | 25,155,763 | 3,612,253 | 11,792,948 | 10,135,863 | 3,778,360 | 1,913,901  1,124,326 |
| Maryland\* | Jan. 1, 1839 | 15 |  | 9,954,500 | 1,372,008 | 2,807,695 | 3,489,904 | 2,090,485 |
| District of Columbia  Virginia\* | Jan, 1, ...  Jan. | 6 | 20 | 1,855,790  7,458,246 | 415,573  2,270,367 | 950,132  8,015,418 | 1,397,399  2,999,589 | 327,008  1,068,776 | 3,059  1,452,717 |
| North Carolina | Nov. 21, 1838 | 3 | 7 | 3,100,750 | 723,875 | 2,114,140 | 588,389  2,732,583 | 1 56,136  1,308,206 2,050,652 2,257,512 |
| South Carolina | Nov. | 11 | 2 | 9,153,498 | 2,000,149 | 4,566,327 | 1,921,127  1,060,923  1,574,179 3,522,093 |
| Georgia | Oct. | 21 | 16 | 15,025,971 | 3,232,274 | 5,121,604 | 2,834,219 |
| Alabama. | Oct. | 3 | 4 | 11,996,232 | 1,687,046 | 6,779,678 | 4,919,598 |
| Louisiana |  | 16 | 31 | 40,930,976 | 3,967,697 | 6,280,558  461,775 | 7,657,161  134,369 | 8,119,708  8,537  348,746 |
| Arkansas | Nov. 5, ... | 1 | 2 | 628,105 | 316,045 |
| Tennessee... | Jan. 1, 1839 | 3 | 11 | 5,395,799 | 802,369 | 1,930,040 | 649,215 | 2,865,098 |
| Kentucky\* | 4 | 16 | 1,613,383 | 5,418,320 |
| Missouri..................... | Dec. 31, ... | 1  1 | 1 | 1,027,070 | 691,070 | 671,950 | 1,101,638  490,617  109,967  3,686  8,671,421 | 481,972 | 123,159  270,008 |
| Indiana | Nov. 17,...  Jan. | 10 | 2,216,700 | 1,345,832  65,680 | 2,951,795 | 269,905 |
| Wisconsin | 2 |  | 139,125 | 235,573 |
| Iowa | Dec. 1833 | 1 |  | 100,000 | 3,033 | 10,990 |  | 5,035 |
| United States Bank of  Pennsylvania | Nov. | 1 | 15 | 35,000,000 | 5,223,476 | 4,220,854 | 3,166,420 | 26,542,516 |
| Total |  | 508 | 131 | 259,642,610 | 39,470,063 | 100,670,640 | 76,032,702 | 45,301,750 | 50,236,361 |
|  |  |

\* Incomplete. Maryland ; no return from seven banks and two branches. Kentucky; returns embracing only loans and discounts, specie and circulation. No re­turns from Connecticut, New Jersey, Delaware, Mississippi, Illinois, Ohio, Michigan, and Florida.

@@@, See Document No. 227, laid upon the Table of Congress February 27. 1839. Report of the Bank Commissioners of Massachusetts to the Governor of the Commonwealth of Massachusetts.

@@@\* “If the legal consequence of suspension,” it is observed in the same document, “ had been a contraction of bank issues, those who congre­gated in Wall Street, instead of coercing the banks to suspend, would have rallied round them to prevent a catastrophe so destructive to the honour and detrimental to the morals of the country, and so injurious to the credit of our great commercial emporium.” Document No. 227. Extract from the Report of the Comptroller of the State of New York, p. 205.