their from our lies residing abroad, and that they make early arrangements with their collecting agents to this effect.

They regret to learn that this advice has not been generally adopted, and they therefore again call the attention of the banks to a measure so evidently calculated to afford relief to the public and to strengthen the currency.

JAS. G. ANTHONY,
STEPHEN WATERMAN,
CYRUS HARRIS, } Committee.

[From the Providence Journal, Oct. 13.]

Yesterday was apprehended as a day of disaster, but it has passed off not only without a failure, but with the assurance that the failure of David S. Brown & Co. and J. W. Corliss & Co., and Hall Dana & Co., which circumstances was made public to-day, although it had been confidentially known here since Friday, would not drag down anybody in Providence. The houses most immediately and deeply affected by these failures are abundantly strong intrinsically, and have received, unsolicited and without concert, such liberal offers of assistance from banks and capitalists as leave no doubt of their ability to meet all the paper that comes back upon them. The promptness with which these offers have been made, the good feeling and the sound judgment which they manifest, are in the highest degree gratifying. They show that the men who are at the head of our finances have not lost their senses in a panic, and that they have determined not to allow really solvent houses to be sacrificed for the need of temporary assistance which they are abundantly able to repay.

The assets of Hall, Dana & Co are much above their liabilities, but the impossibility of getting money, on any terms, to take up both sides of their bill book, has driven them to suspension.

The banks discounted liberally yesterday; but much of the accommodation offered was for New York and Philadelphia. The chief domestic houses in the great "specie paying centre" have been seeking from our discredited banks the aid which their own refuse them. A more cheerful feeling prevailed yesterday after bank hours. The wise and liberal policy of the banks, and the disposition of men to stand by each other, gave new courage and confidence.

MASSACHUSETTS.

FINANCE AND BUSINESS.

[From the Boston Post, Oct. 12.]

Saturday was a quiet day, and mercantile payments generally were made with comparative ease. At the opening of business the banks held $2,656,100 in coin, an aggregate gain of $300,000 in the week, over and above the considerable demand at their counters, the calls of the country banks and of New York, the payment of duties, &c., &c. This increase of specie in the midst of difficulties is highly encouraging. With their largely reduced deposits the banks stand stronger with $2,650,000, than they would with $3,000,000 in ordinary times. And we are glad to be able to report an easier feeling among those who retain bank confidence. The raising of large sums is as difficult as ever. The outside market is as bare as ever, both of money and confidence. But within the banks, for regular dealers and for moderate sums, money is not extraordinarily scarce at this moment. Of course, we are not blind to the fact that few paper, any thing but notes, that neighbors help each other to the utmost, that trade is next to nothing, and that some of the leading retailers are beginning to offer their stock goods at extremely low prices. All these evidences of hard times are patent to every observer, while the newspapers are filled with other and equally significant facts bearing upon the same subject. Money is very scarce everywhere, beyond a doubt; but what we mean to say is, that it is by no means as scarce in the banks as it was a fortnight ago. Many of the heaviest borrowers, both outside and in, have been killed off, and thus far, at least, the Boston banks do not hold suspended (not to say bad) paper, to an inconvenient amount. The outside lenders, brokers and capitalists, and the country banks, have thus far had the larger share of the failed notes about. It thus happens that our banks are apparently fast approximating to the point at which they can take care of all the survivors that are left to be worth saving. Some of the institutions, it is true, are yet extremely poor; but, speaking generally, the money market has improved very much within a fortnight, to esteemed bank borrowers. With a strong note or favorite security, presented by a decent applicant, there is now a good chance of getting the money at six to ten per cent, within a day or two, if not at the moment of application.

And from two curious features of the market, it is reasonable to believe that the banks might safely do even more for their customers than they are now doing. These features are the comparative ease within the banks, and the almost utter impossibility of making transactions outside, on anything at any price. The fear that our specie might run to New York, in case of any expansion of our banks, has been constantly present to the minds of the managers. But it is now a fact and not a question for discussion, that if our banks extended three millions to morrow, New York would scarcely get more than our gold than Timbuctoo. The best New York paper with the best Boston names, or the best Boston paper with the best Boston names, could not be sold at any price in State street, in any considerable sums. There is no doubt of this fact, and it is a prominent one at the same time that hundreds of thousands of dollars are daily borrowed of our banks at six to ten per cent.

There is an utter lack of confidence in paper in State street, conjoined with a very great lack of means. Especially is anything New Yorkish in disrepute. All that New York can get of us at present is from the drawing of specie on small checks, which amount to nothing in the aggregate. New York funds are in demand and in limited supply with us; but the movement of specie, either way, has been inconsiderable for some days past. From a judicious increase of discounts on the part of our banks, manifestly conducting, and to those only who have notes to pay, we are confident that New York could not possibly derive the means of getting any noticeable amount of specie.

Everything seems to be on firm ground in Boston with the mass of the mercantile community. The feeling here is quiet, but somewhat hopeful. The only great cause for anxiety is New York, where things seem to be getting into "a dead lock"—where the banks are obviously too weak to do anything of consequence, in the face of meetings and letters that cost little and amount to less.

INSURANCE COMPANY ENJOINED IN BOSTON.

[From the Boston Advertiser, Oct. 12.]

On the application of the Insurance Commissioners made before His Honor Justice Merrick of the Supreme Court, the following injunction was on Saturday granted against the People's Mutual Insurance Company of this city:—

Whereas, it has been represented to the Justices of our Supreme Judicial Court, sitting as a Court of Chancery, by John Field Kilby C. Baker and George T. Stearns, Insurance Commissioner of the Commonwealth of Massachusetts, that among other things, the People's Mutual Insurance Company is, and for a long time has been, insolvent, refusing and being unable to pay the just claims of its creditors, we, therefore, strictly command you and each of you from further proceeding with any business of said company until the further order of our said Court, or some of the justices thereof.

Witness, LEMUEL SHAW.

To the People's Mutual Insurance Co., their officers, solicitors and agents.

The petition on which the above injunction is granted sets forth that on the 20th day of April, 1855, on application of the insurance companies a temporary injunction was granted against said company, which injunction was subsequently made perpetual as far as regards the issuing of policies, and in other respects was dissolved; and futher, that while said injunction was in force, the company continued to issue policies, and at a meeting of stockholders endeavored to ratify the same, and that the parties holding said policies were then and are now acting as members and officers of the company.

And the commissioners further say that the company is, and for a long time has been insolvent, and refuses and is unable to pay its just debts. Also, that the officers have used fraudulent means to secure the control of the company, and that since the first injunction was made perpetual, the officers have made large collections of assessment upon deposit notes, which amounts they have failed and refused to pay in discharge of the debts of the company, and to the best belief of the commissioners, have used the same for their own use and benefit; and also to this end they are instituting vexatious suits against former policy holders for the recovery of assessments upon their deposit notes.

For these reasons and others, the commissioners applied for an injunction and an appointment of receivers, which was to day granted as above. The People's office is located at No. 76 State street, and the officers are follows:—Abijah Richardson, President and Treasurer; C. T. Richardson, Secretary; Atwell Richardson, Alfred Loring, C. B. Faunce, J. S. Hastings, J. B. Flagg, A. Richardson and C. T. Richarson, Trustees. The office at one time did considerable business, and now owes about $70,000, with nothing but deposit notes to meet the same.

VIRGINIA BANK CONVENTION.

At a meeting of a portion of the banks of this state, which have suspended specie payments, held in Charlottesville on the 7th October, 1857, the following banks were represented, to wit:—

The Bank of the Valley, in Virginia, at Winchester, by H. H. Brent, Esq.

The Monterello Bank, by Messrs. N. H. Massie, B. C. Scantgrig, Val. W. Southall, E. S. Watson, R. W. Duke and J. Wood, Jr.

The Bank of Commerce, by J. M. Hernton, Esq.

The Bank of the Old Dominion, by Wm. N. McVeigh, Esq.

The Bank of Winchester, by Robert T. Conrad, Esq.

The Bank of the Valley, in Virginia, at Charlestown, by Andrew Kennedy, Esq.

The Bank of Rockingham, by W. G. Stevens, Esq.

The Northwestern Bank of Virginia, at Wheeling, by Z. Jacobs, Esq.

The Merchants' and Mechanics' Bank at Wheeling, by R. Crangle, Esq.

The Central Bank of Virginia, by Messrs. Wm. Kinney and W. H. Tams.

On motion of Mr. Massie, Mr. Brent was appointed Chairman of the Convention, and Mr Tams Secretary.

The object of the meeting was stated to be to take into consideration the matters contained in the following communication, addressed by the Governor of Virginia to the First Auditor and Treasurer of Virginia, a copy of which communication has been forwarded to the suspended banks:—

RICHMOND, VA., Sept 30, 1857.

GENTLEMEN—Information received in the last few days leaves no doubt that a number of the banks of the commonwealth have under the pressure of the money crisis in the country been compelled to suspend specie payments. The notes of some of these suspended banks have been refused to be received by the depositories of the public revenue. Among these are the Valley Bank and its branches, and the Northwestern Bank and others. I have great confidence in the officers of these banks, and rest in the conclusion firmly that this suspension is but a means of protecting our own securities, public and private. This conviction makes me reluctant to exercise the executive discretion of prohibiting by proclamation the receipt of the notes of suspended banks in payment of public dues. To make proclamation now of such a prohibition would seem to threaten injury to the banks, individuals and the State, by adding to the prevailing panic and destroying confidence. It should be the object of all to do nothing at such a moment to impair confidence in the ultimate and early ability of our banks to redeem their credit and resume specie payments. The banks, doubtless, are anxious to aid the executive in protecting the State credit and collecting the public revenue. To that end, I suggest that it would be well for you to correspond with the leading suspended banks immediately, and propose that if they will agree to meet their notes received for public dues, in fifteen days, with specie at the public depositories, the depositories will receive their notes on State account, and the executive will not proclaim a prohibition of the receipt of their notes in payment of the revenue of the State. Respectfully, yours, &c.

HENRY A. WISE.

To the First Auditor and the Treasurer of the Commonwealth of Virginia.

Mr. CONRAD having submitted to the consideration of the Convention a series of resolutions, and the same having been discussed, it was, upon the motion of Mr. Southall,

Resolved, That a committee of five be appointed, of whom the chairman shall be one, to report to a meeting of this body, to be held at 7½ o'clock this evening, upon the resolutions offered by Mr. Conrad and generally upon any other matter of business they may deem important.

The CHAIRMAN named as one of the said committee, Messrs. Conrad, Southall, Jacobs and Stevens.

Adjourned to meet at 7½ o'clock this evening.

OCTOBER 7—7½ P. M.

The Convention assembled pursuant to adjournment.

Mr. CONRAD, from the committee appointed for that purpose, reported the following series of resolutions, being those originally offered by himself, as amended by the committee:—

1. That we regard the maintenance of the credit of the Commonwealth as the first duty of the banking institutions as well as the citizens of Virginia, and therefore assent heartily to the spirit of the letter of Gov. Wise to the Auditor and Treasurer which has been read.

2. Deal with all respect to the source from which it comes we feel bound to say that in the opinion of this meeting the specific remedy suggested in the letter is unnecessary, impracticable and unequal as between the depositories and the other banks of the State, and also calculated to excite an injurious competition between the banks in regard to the funds assented on in payment of the revenue by the collectors.

3. That a proviso on for the amount of the State payments to be made abroad for interest on her bonds on the 1st January next, amounting, as we are informed to the sum of $336,000 in the aggregate, will fully protect her credit.

4. That a contribution of specie or New York funds by each bank of 2½ per centum on its capital, will make such provision.

5. That, in our opinion, the spirit of the Governor's letter will be complied with, if each bank, for itself, shall undertake with the deposit banks to redeem, to the extent specified in the 1st day of December next, its paper which may have been received in payment of the public revenue, in Richmond, in specie or New York funds.

6. That the suspension of the banks in Virginia, so far as it has gone, was without fault on their part, for the public good as well as their own, under the circumstances; that whenever the Eastern cities resume, our banks shall be prepared to resume with them; and, in the meantime, the paper of our banks should be maintained, without exception, current in the State.

7. That when this Convention adjourn, it adjourn to meet tomorrow at Richmond, to confer personally with the Governor on the subject of this letter and these resolutions.

Which resolutions were, after discussion, adopted unanimously.

Mr. CONRAD offered the following resolution, which was also adopted unanimously, to wit:—

Resolved, That this meeting recommend to the banks in the Commonwealth, holding demands upon the State for interest or treasury notes, to notify the Treasurer of the State at once, that all such demands will be satisfied by a payment in Richmond by the deposit banks in the issues of such credit or banks respectively, received by said deposit banks in payment of the revenue.

Such being the sense of the Convention, the Chairman appointed Messrs Southall, Stevens and Drangle a committee to wait upon the Governor, on the arrival of the delegates in Richmond, and request an interview with him.

The delegates from the several banks, agreeably to their adjournment yesterday, assembled (Oct 8) at the Exchange Hotel, in Richmond, and sought and obtained an interview with Governor Wise, and, presenting him with the action and resolutions of the Convention, were received by him with all kindness. The result of this interview, in which the Governor expressed views, the tone, temper and bearing of which were gratifying to the delegates, was—

The Governor expressed himself pleased at having the views of the suspended banks represented relative to the maintenance of the public credit, as expressed in said resolutions and their wish to do what they could to aid the State in liquidating its liabilities abroad. And, without expressing a decided opinion either way upon the suggestions contained in the resolutions of the convention, presented to him in reply to the plan proposed by his letter to the Treasurer, which had been sent to the banks, he assured the delegation that it was not his intention to issue a proclamation prohibiting the receipt of the notes of the suspended banks in payment of the public dues, so long as he remained convinced that they were acting with a *bona fide* intent to protect the State credit, and the communities in which they are located, and so long as there is no evidence of fraud on their part. As yet he had reposed the greatest confidence in all the banks of the commonwealth, and he would do nothing to impair public confidence in them, without seeing that far greater good than evil would be accomplished. He had no means to compel the deposit banks to receive the notes of suspended banks. They were bound to receive only the notes of specie paying banks. In case they refused to receive such notes, the Treasurer would have its take the initatory step, by reporting to the Governor, whose duty it would be to provide a depository, in case the deposits were removed, or a place of receipt and disbursement of all funds which the deposit banks, if continued, would receive. He saw no good to be attained by removing the deposits.

The deposit banks might refuse still to receive the notes of suspended banks; and in case they continued to do so, the Treasurer would, under the law, provide a place of deposit, and would receive and pay out the rejected notes in discharge of demands upon the State as far as he could. And for such amount of them as he could not so pay out, the Governor would rely upon the integrity and public spirit of the banks issuing them, to redeem them at the Treasury as rapidly as may be required by the necessities of the Commonwealth, and as in the power of the banks, in specie, or such funds bankable in Richmond as may be convertible here in time to meet the interest due abroad on the public debt.

The Convention having returned and resumed its session, the following resolutions were submitted by Mr. Southall, and unanimously adopted:—

Resolved, That this Convention, approving of the sentiments of the Governor, hereby pledge the banks it represents, that, in good faith and to the utmost of their ability, they will carry out the views of Gov Wise.

Resolved, That this Convention respectfully recommends to such suspended banks as are not here represented, to unite with us in the policy herein indicated.

Resolved, That the Secretary be instructed to send a copy of these proceedings to each of the suspended banks not here represented, with a request that they communicate a response to the Chairman at Winchester.

And the Convention adjourned.

TENNESSEE.

MESSAGE OF GOVERNOR ANDREW JOHNSON.

Governor Andrew Johnson, who has just been chosen United States Senator, delivered his annual message to the Legislature of Tennessee on the 6th instant. The message is almost wholly made up of matters appertaining to the financial difficulties in the State. We give that portion of it entire:—

Much, indeed, will depend on what direction your legislation may take generally, and especially so in regard to the finances, actual indebtedness and liabilities of the State. Your action upon these measures, along with some others, will be vital to the future prosperity of the people of the whole State, and will merit your profound and deliberate consideration. In the first place, I would most respectfully call your attention to the actual incompleteness of the State up to this time, which is as follows:—

THE ACTUAL INDEBTEDNESS OF THE STATE.

Internal imp. bonds, bearing int. of	5½	per cent	$227,416
" " "	5	"	1,824,440
Union Bank bonds "	5	"	250,000
Bank of Tennessee "	6	"	1,000,000
State Capitol bonds "	6	"	841,000
Purchase of Hermitage			48,000
Bonds loaned and endorsed for railroads, &c			5,889,000
Bonds endorsed for turnpikes			57,000
Agricultural Bureau			30,000
Total liabilities			$12,366,856

This exhibit shows the actual indebtedness of the State to be four million one hundred and ninety thousand eight hundred and fifty-six dollars and sixty six cents ($4,190,856 66). The stocks owned by the State in banks, internal improvement companies, &c, amount to three million two hundred and ninety two thousand seven hundred and sixteen dollars and sixty six cents ($3,292,716 66), as will appear by reference to another part of this message. These stocks, when reduced to their market or estimated value, will amount to two million two hundred and forty-four thousand eight hundred and twenty seven dollars ($2,244,827). If this amount is applied to the liquidation of the actual indebtedness of the State, it will reduce that debt to one million forty-seven thousand seventy-nine dollars and sixty six cents ($1,047,079 66). It is the opinion of some correct thinking and judicious persons, as well as my own, that it would be sound policy and economy to dispose of all the stock owned by the State in banks and internal improvement companies, or otherwise, as soon as it can be done on advantageous terms, and to apply the proceeds of the sale of the same to the reduction of the actual indebtedness of the State, and for the State, as soon as practicable, to become entirely disconnected with all corporations whatever, either as partner or stockholder. The six per cent which would be saved upon the bonds will amount to more than the dividends which will be paid upon the stock so long as it is owned by the State.

The following tabular statement will show the amount of stocks owned by the State in banks, internal improvement companies, &c., its original cost and its estimated value at the present time:—

STOCK OWNED BY THE STATE.

Stock.	Original Cost.	Estimate. Pres Val.
Bank of Tennessee	$1,000,000	$1,000,000
Union Bank	650,000	650,000
East Tenn. & Georgia Railroad	1,550 000	1,300,000
Franklin & Columbia turnpike	15,990	56,025
Lebanon and Nashville "	80,000	48,456
Nolensville "	47,000	11,740
Nashville and Charlotte "	30,000	20,000
Lebanon and Sparta "	85,000	21,170
Columbia Central "	139,000	21,170
Nashville and Kentucky "	58,000	12,500
Clarksville & Russellville "	37 500	9,000
Columbia, Pulaski & Elk'n "	125,000	12,238
Nashville & Murfreesboro "	66,666	39,630
Gallatin and Cumberland "	6,000	5,283
Tennessee "	150,000	26,000
Cumber'd & Stone's River "	119,000	20,000
Total	$5,292,716	$2,244,827

The foregoing companies pay six per cent on the estimated value.

It will be perceived from the tabular statement that the annual indebtedness and liabilities of the State for internal improvement companies and the agricultural bureau will make the State liable for the sum of twelve millions eight hundred and sixty six thousand eight hundred and fifty-six dollars and sixty six cents ($12,866,856 66) up to this time. And if all the internal improvement companies apply for the aid of the State which have been authorized to do so by the various acts of Assembly which have been passed to encourage works of internal improvement, it will swell the State debt up to not less than twenty million dollars ($20,000 000).

The bonds of the State which have been already issued to the various internal improvement companies have been and are now selling in the money markets at ruinous rates of discount—in fact, at a lower rate of discount than the bonds of some of our sister States, whose resources and financial ability are not superior, if equal, to those of Tennessee, to meet their public engagements. Tennessee bonds are issued and thrown into market without any definite information as to what amount of bonds can be or will be issued under existing laws, or as to whether future Legislatures will extend the amount to be issued. The want of this information on the part of those who are willing to invest their capital in State securities, as to the amount of bonds that can and will be thrown into market, deters and prevents many who otherwise would make investments in Tennessee bonds. It is believed that if the Legislature will fix upon some definite and known limit to which the State credit is to be extended, and especially so if that limit is clearly within the financial ability of the State, it will have an immediate influence upon the price and sale of the bonds now in market, and those that are to be thrown upon it hereafter for sale; which will greatly relieve those internal improvement companies which now have their bonds hypothecated, and which are entitled to the issuance of bonds hereafter. I would therefore recommend that the boundary of our prospective public debt be well defined, and that it be reduced to the lowest limit consistent with the interest and credit of the State. The credit of the State can be sustained by the aid of a little timely and judicious legislation in the manner already indicated. It would also add to the confidence and credit of the State, if the constitution was so amended as to inhibit any future Legislature from the creation of any public debt beyond a limited amount, without first submitting the proposition to the people for their approval or rejection, unless in some great emergency, such as insurrection, rebellion, or invasion. A proposition of this character at the present time, to amend the constitution of the State would be an earnest indication to capitalists that the public mind was healthy and sound in regard to State indebtedness, and its adoption would secure the people in the future against improvident, long rolling legislation, and the creation of heavy and excessive State indebtedness, without at least first obtaining the people's consent.

The total value of taxable property, according to the best data that can now be obtained, will approximate three hundred million dollars.....$300,000,000
Total number of taxable polls.....125,000
State tax on three hundred million dollars, at ten cents on the dollar.....300,000
State tax on one hundred and twenty-five thousand polls, at twenty-five cents.....31,250

It will be perceived that from these two sources, alone, the State will derive a large revenue, amounting to three hundred and thirty one thousand two hundred and fifty dollars, ($331,250 00,) which, with the other receipts into the treasury, ought to make a fund sufficiently large to defray the current expenses of the State, when judiciously and economically appropriated.

For a full and more detailed statement of the indebtedness of the State and the true condition of the treasury, I most respectfully refer you to the reports by the Comptroller and Treasurer.

By an act passed on the 27th day of February, 1854, it was provided that after paying the interest on the bonds of the State, issued for stock in the Union Bank, the balance of the dividends and bonus shall be vested by the Governor and Comptroller in six per cent bonds of the State. It was, also, made the duty of the Governor and Comptroller to cancel the bonds purchased with the proceeds of the dividends of State stock and bonds of the Union Bank, until the amount shall equal the sum paid out of the treasury for the redemption of Union bank bonds. Under the provision of this law, there has been paid to the Governor and Comptroller, of the bonus and dividends of the Union Bank, one hundred and fifty-seven thousand one hundred and five dollars and ninety-two cents ($157,195 92). Of this amount there has been vested one hundred and five thousand one hundred and three dollars and fourteen cents, (105,103 14) in six per cent bonds of the state, leaving a credit on the books of the bank in favor of this fund of ninety-two dollars and seventy eight cents. The bonds which have been cancelled are on deposit in the Bank of Tennessee.

It is also provided by the second section of said act, that dividends arising from the School Fund Stock in the Union and Planters' banks, shall be paid over to the order of the Governor and Comptroller for six per cent bonds of the State. It is further made the duty of the Governor and Comptroller to deposit the bonds purchased with the dividends from the School Fund Stock in the Union and Planters' banks, in the Bank of Tennessee, and take the receipt of the President of the bank for the same. There has been paid of the dividends arising from the School Fund Stock, in the Union and Planters' banks, upon the Governor and Comptroller's order, the sum of fifty nine thousand dollars, ($59 000) which sum has been vested in six per cent state bonds, and the receipt of the President of the Bank of Tennessee taken for the same.

As it will become your duty to appoint a committee to examine the accounts of the Comptroller and Treasurer, I would, therefore, suggest that you direct the same committee to examine and report as to the amount received and disbursed under the law referred to.

In my first biennial message to the Legislature of 1853-4 and 1854-5, I submitted for their consideration the propriety of putting the Bank of Tennessee and its branches in a gradual course of liquidation; to which messages you are referred for the reasons and arguments which induced those recommendations. Those views were followed up and sustained by the President and Directors of the bank, in their report made to the Legislature of 1855-6.

The President and Directors, after having had the bank two years under their control, closely observing it in all its practical operations connected with the finances of the treasury, together with the monetary affairs of the State, with great unanimity of opinion, recommended that it would be better for the State and the people generally to wind up the bank, or in place it in a gradual course of liquidation; and in their report present the following irrefragible facts and arguments in support of their recommendations, to which I ask your earnest attention:—

The creation of so many new banks at the last session of the Legislature, in addition to those that existed before, produced so much competition between them as will in all probability, reduce the business and profits of each to a point so low as not to justify the continuance of all of them; and in the conflicts likely to arise from such competition an institution belonging to the State, organized as the Bank of the State at present, is likely to be made the victim of the selfishness and cunning of others more interested and more skilful in their management than inexperienced citizens can be; and as the Legislature cannot now repeal the charter, the directors feel it their duty to have come to the conclusion, with great unanimity, and from a settled conviction, that it is best interests of the State require it, that the Bank of Tennessee should be put in liquidation and its concerns closed at as early a period as the convenience of the citizens will admit.

The non-resident stock holders should have no control over the moneyed institutions in this State; they have no interests in common with the people; and no sympathy for them in times of distress; their interests are indeed often antagonistic. Their investments in our stocks are made solely with a view to the per cent to be derived from them, and the control of them will be solely with a view to the profits that can be secured by them. That dealing in the circulating medium of the State, whether of the precious metals or paper currency, which regulates the value of property and the exchanges of the citizens of the state should be prohibited as far as the Legislature has the authority to do so. The citizens have too deep an interest in the amount, as well as the quality of the circulating medium by which the trade and business of the country is carried on, to allow any intermeddling with it by stockjobbers, speculators, brokers, or bank-chartered brokers.

The Bank of Tennessee was established for the purpose of creating "a fund for internal improvements," and to aid in the establishment of a system of education.

The operations of the bank in a few years seem to have convinced the General Assembly of the impracticability of accomplishing the great objects of its creation, under the organization which had been given it; and an act was passed in 1849, directing the profits of the bank to be paid into the treasury and the payment of the interest on the bonds of the State and the sch ol fund to be made by the treasury; by that time near a million of dollars had been taken from the capital by appropriations of the Legislature and the debts lost by the bank. By the act of the 3d March, 1854, the annual profits of the bank were directed to be applied to supply the deficiency of the capital occasioned by the bad debts. So that the bank cannot be regarded as it is time in any other light than a financial project to aid the treasury of the state. It can scarcely be doubted that an investment of the school funds, composing in part the capital of the bank, in the bonds of the State, bearing an interest of six per cent, would have been a more wise and judicious disposition of them, than in the stock of any corporation yielding nominally two or three per cent more; and especially in one which was subject from its organization, to all the casualties arising from the change of its officers every few years as the one or the other party prevailed in our elections, and to the carelessness, negligence or fraud of those entrusted with the management of its capital belonging to the State, a million of dollars, was obtained by issuing bonds of the State, bearing six per cent interest, and upon which the state now pays interest, and will be compelled to pay whether the bank yields a profit or not.

From the operations of the bank heretofore, there is strong reason to apprehend that losses of a similar character may occur hereafter, and that the profits by the time the charter expires, may be required to replenish the capital as now required by the act of 1854. Under such circumstances it would seem to be the true policy of the State to pay the million dollars for which it has been so long in advance, under the control of the bank and to invest the school funds in other bonds of the State, bearing interest, and thus avoid the hazards incident to borrowing money to be refunded under the control of any corporate body. The public is seldom benefited by such financial schemes.

If the money has to be paid by the citizens it makes but little difference whether it be done through the treasury or by the profits on discounts and loans made to them through such a corporation; the more direct the mode adopted the better generally for the citizens. It is in the opinion of the board of directors, no important wise to avoid the dangers seriously apprehended by subjecting the citizens to taxation for the payment of debts created for the establishment of the bank, which would be the case in the event of any serious disaster happening to it before the expiration of its charter. The fund now belonging to the State, and now in bank will go to the extinguishment of the indebtedness of the State. The present time seems more favorable for the accomplishment of this object than any other for years past, or than may be expected for years to come. The circulation of this bank is now less than it has been for years, and is withdrawn, its place will be at once supplied by the numerous banks now in operation, and its loss will be scarcely felt by the community.

The past season has been more favorable to the great interests of the state than for many years, and the surplus products will enable the debtors of the bank to meet the demands against them without serious embarrassments, if a reasonable time be allowed for that purpose.

By closing the concerns of the bank, an end will be made of the competition for making money between the State and its own citizens, and especially with those corporations in which it has so large an interest; such contests always result in the loss of money as well as credit to the State, and the exciting contests for the control of its capital which is witnessed aim at every general election, will be avoided.

This report of the President and Directors, of itself, seems almost conclusive upon the subject, well nigh superseding the propriety of offering anything more in addition to what they have said. The necessity and expediency of longer continuing the bank as a fiscal agent for the treasury, or as a convenience for the people in their monetary affairs, would seem, after reading the able report made by the President and Directors of the bank, an utter absurdity; and it should be dispensed with, and thereby all connection between the State and banks be dissolved. To carry on the business of banking is not one of the objects for which the State was created, no more than it was to go into the pursuit of agriculture or mechanics. It was not designed by those who framed the constitution of the State, or of the United States, that the States should become either bankers or brokers, or money changers in any sense of the term, or to make anything a tender in payment of debts except gold and silver. This is the currency intended by the framers of the constitution of the United States and of the States, for the people. It may be assumed that this great principle has never been violated, or as to come in conflict with the letter of the organic law of the land, but it has been violated in spirit and practice since the creation of the first bank in the State, and the people have been made the sufferers in the end, by every such violation of his fundamental principle of currency.

Within the last four years—not to go further back in the history of banking in Tennessee—ten or twelve of the banks of the State have suspended specie payment. The failure of these banks will result in the loss of millions to the people who had exchanged their produce for the worthless circulation. The time has arrived when the legislation of the country should be brought to bear upon all these spurious schemes and plans of originating what is commonly called money, a mere paper circulation, which passes for currency one day, and on the next becomes valueless in the hands of some innocent holder, who has exchanged the product of his field or shop, or day's labor, for the worthless trash. To the extent that legislation can be made to bear upon currency, it should be in making the circulating medium uniform in quantity and value, and thereby give all the business transactions of the country uniformity and stability, and should studiously avoid all legislation which will expand or contract the circulating medium, or diminish it in value. As between the banks which have been incorporated in this State, the Bank of Tennessee is believed to be in as sound and healthy a condition as any other bank in the state, if not more so, and upon an exhibit of the business transactions of the bank since it has been under the control of the present able, efficient and honest directory and President, it will be shown that the bank has realized greater profits, made fewer bad debts, and has given more general satisfaction to the public than in any other period of four years since its incorporation. It is believed, however, notwithstanding the institution has been well managed in the last four years, and will show increased profits, that it would be safer and better, and more profitable in the end, to convert the entire capital of the bank, and all the real estate owned by it, into six per cent bonds, as recommended in my former messages, and subsequently by the president and directors of the bank. By converting the entire capital of the bank into state bonds, the whole machinery now necessary to carry it on successfully might be dispensed with, which would result in a saving of some thirty-five or forty thousand dollars per annum to the State.

It is the opinion of some, and it may be urged before the Legislature, that the capital of the Bank of Tennessee should be increased to an amount which would enable it to control the entire banking accommodations and circulating medium of the State, and at the same time giving to the president and directory of the principal bank located at Nashville, absolute control of all the branches throughout the State establishing a kind of central power at the city of Nashville, which, according to their views of the business and wants of the country, could expand and contract the circulation at pleasure, the entire circulation of banks in the State on the first of January, 1857, in round numbers, was eight millions dollars (8,000,000). A bank, with the capacity to furnish eight millions of circulation, must be under the control of a central regency; which cent al regency must always, to a greater or less extent, be governed by the influences which surround it. To increase the capital of the Bank of Tennessee, and confer these additional powers upon it, would be doing great injustice to the other commercial divisions of the State, each of which would be more competent to judge of its necessities and convenience, as to the amount of the circulation required, than any directory could be at the city of Nashville.

If banks are to be continued for the purpose of making and issuing paper circulation, it would be but just and fair to give to each commercial division the control of its own banking accommodations, and all the circulation issued by banks in each of these commercial divisions should be made redeemable at the counter of the bank where issued, and at the principal commercial point in each division. For instance, to suppose East Tennessee to constitute one division; let all the circulating medium, issued by the banks in that division, be made redeemable at the counter of the bank where issued, and at whatever point may be deemed the most commercial point in that division. And so with the middle and Western divisions of that State, requiring each one of those principal points to make arrangements with the other two for the redemption of their paper circulation whenever it passed beyond the commercial boundary in which it is issued. An arrangement by the banks, upon a principal of this kind, would exert a powerful and salutary influence in making the bank paper uniform in value and quantity, when thrown into circulation by each of the commercial divisions, and at the same time leave each to determine the wants and necessities in regard to banking accommodations in each commercial division.

I have stated that the circulation of banks in this State on the 1st of January, 1857, was eight millions of dollars. I will now add that the coin amount of specie in all the banks, great and small, with which this eight millions of bank paper was to be redeemed, in round numbers, was two millions of dollars. The bare statement of this fact must be conclusive to all minds which are familiar with the operations of banks, that eight millions of bank paper, resting upon two millions of specie, cannot be sustained whenever there is a pressure or derangement of the monetary affairs of the country.

A circulation in paper amounting to four dollars for one in specie, cannot afford a sound and uniform currency. A circulation which can be expanded from two to eight millions of dollars, as the interest and cupidity of the banks may suggest, can never be made uniform in quantity or value, and the whole country must be subjected to the increase and diminution of prices for all the products of the country, just in proportion as their bank accommodations are expanded or contracted. This state of things is bad enough when brought about by all the banks, but to confer such a power upon any one institution, whether it be a State bank or other wise, embracing separate and distinct commercial divisions to be controlled by a directory in the city of Nashville, is a state of things which I hope will never be brought about by the representatives of the people of the State of Tennessee.

In recommending to your consideration the propriety of winding up the Bank of Tennessee, it will not be inferred or understood by any that I am in favor of the creation or continuance of such or *free* banks. I would be in favor of winding them all up so soon as it is practicable and consistent with the commercial, agricultural and mechanical wants of the country to do so; believing as I do that the whole banking system in the United States is founded in error, and that all banks having their origin in such a system must necessarily contain the elements of their own destruction, and as a general rule will sooner or later result in ruin and fraud, producing great injury in all the business transactions and morals of the community wherever they may be located. But to attain this end will require time and the exercise of sound discretion. The work has to be commenced, and we had as well set the example by commencing with the Bank of Tennessee, constantly and steadily progressing, until there shall not be a bank incorporation left in the State. This being once accomplished here, hoping that a similar policy will be pursued and carried out by all the surrounding States, the vacuum created by their withdrawal will be supplied by the capitalists in furnishing exchange for the commercial wants of the community, and money, in the proper sense of the term, sufficient to purchase all the surplus product of the country. This will follow as naturally and as certainly as water will find its level or the surrounding atmosphere supply and fill up a vacuum when created.

The strongest objection now urged to the winding up of the Bank of Tennessee is, that it is necessary as a fiscal agent for the State, to receive its revenue and disburse the same, to pay the interest on the State bonds that have been issued or may hereafter be issued. This objection, when examined and reduced to a practical test ceases to have any force or solidity in it whatever. I would most respectfully suggest that all the duties now performed by the Bank of Tennessee as a fiscal agent in receiving and disbursing the revenue of the State and paying the interest upon State bonds, can be performed by the Comptroller and Treasurer, the financial officers of the State proper, with equal convenience and safety, and at a far less expense than it now costs to carry on the machinery of the Bank of Tennessee.

It is a matter of great importance to the people of Tennessee that our State should be free from debt. If the policy I have recommended should be adopted, the debt which accrued under the acts of 1835-6, and 1837-8, would be liquidated in a very short time. We should then have no interest to pay in the Eastern cities, except on the bonds loaned to railroad companies, and would therefore need no bank or other fiscal agent to make payment at any place, other than at the office of the State Treasurer.

Under the act of 1851-2, by which the State credit was loaned to various railroad companies, provision was made that the interest accruing on the bonds loaned should be paid into the Bank of Tennessee, fifteen days before it became due in New York. Surely any President of a railroad company having the money to pay the interest on the bonds issued to his road, could in less than fifteen days, by buying exchange from a bank or broker, or by shipping coin, transfer the amount to New York, or any other point in the Union. This is often done now, as many of the roads have issued bonds which are endorsed by the State, and the interest has been promptly met, without any agency on the part of the Bank of Tennessee. Our merchants and manufacturers most necessarily have frequent payments to make in the Northern and Southern States. These payments are made by purchasing exchange from banks or brokers, and so long as capital is employed in any pursuit which requires the transmission of money from one point to another to pay for articles purchased, there surely will be, even in the absence of all banks, exchange brokers or factors, ready to supply any demand for exchange.

In no event can there be any necessity for a fiscal agent, other than the treasurer or State Comptroller. Both of these officers should be well qualified for the important positions they occupy, and as competent to manage the finances of the State as a Bank President or Cashier. The constitution of the State provides for the election of a Treasurer, and entrusts to him the receiving and disbursing the entire funds of the State.

It may be said that a bank is better able than the treasury to tell the condition of other banks, and would not receive the notes of such banks as would likely become insolvent. Such an argument would only prove that some former Legislature had chartered corporations for banking purposes, without requiring sufficient indemnity to protect the noteholder. In granting banking privileges to a company the people have a right to expect of their representatives that they should be fully protected from fraud in the circulation of any bank notes. If the Legislature would grant no banking privileges except when the noteholder was secure beyond any possible contingency, it would be simply discharging a duty which the electors have a right to demand of their representatives.

Within the period of about four years, as before remarked, many of the banks chartered by our Legislature have entirely failed, and the money put in circulation by some of them will prove to be almost worthless to the noteholder. I am of the opinion that this evil might have been prevented at the time the charters were obtained, and I am clearly of the opinion that you have the power to guard against any further fraud which may possibly be practised by any of the banks chartered by a previous Legislature. It will certainly not be contended that any former Legislature can take out of your hands the power to correct any evil, or prevent a fraud from being practised on the people you represent.

Our State, very properly, requires security of all its officers having charge of any of the State money or property. Individuals require security of each other in their daily money transactions, and there is no reason why a corporation, chartered by our Legislature, with the privilege of issuing notes, checks and bills of credit, should not be required to give ample