

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

DOCUMENTS

MAINE STATE LIBRARY

PRINTED BY ORDER OF

THE LEGISLATURE,  
*State - Library.*  
OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1841.

---

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

1841.

42

---

---

**TWENTY-FIRST LEGISLATURE.**

---

**NO. 7.**

**HOUSE.**

---

---

**R E P O R T**

**O F T H E**

**B A N K C O M M I S S I O N E R S ,**

**I N R E L A T I O N T O T H E**

**C I T I Z E N S ' B A N K , A U G U S T A :**

**T O G E T H E R W I T H**

**A C O M M U N I C A T I O N F R O M D A N I E L P I K E , E S Q .**

**O N T H E S A M E S U B J E C T .**

---

---

**S E V E R A N C E & D O R R , . . . . P r i n t e r s t o t h e S t a t e .**



*To the Senate and House of Representatives :*

I herewith transmit the Report of the Bank Commissioners in relation to the "Citizens' Bank," in Augusta, which exhibits another instance of the virtual sale of the charter of a Bank, by our own citizens, to foreign purchasers, whose intentions in making the purchase we have no means of ascertaining, except from the conviction which every one must feel, that such men would not embark in the ordinary business of banking in this State for the benefit and accommodation of our own citizens and our State ; and of whose pecuniary responsibility we have no means of judging, except from the fact that the prudent vendors did not rely upon the obligations of these men to remove the existing liabilities of the Bank and to pay them for the shares transferred, but took care to provide for both these objects from the best portion of the means of the Institution.

Without impeaching the motives of those who have thus, in effect, transferred a charter granted by the Legislature with the implied if not express understanding that the Institution should remain under the direction of responsible citizens of our own State, who were owners of its Stock, I cannot hesitate to say, that in my judgment, the credit and honor of the State at home and abroad, so far as its currency is concerned, demand immediate measures to stop this novel mode of barter and sale of our Institutions. If no other course will effect this object, I recommend an immediate repeal of the charter of this and of all other Banks similarly situated.

I also transmit a communication from Daniel Pike, Esq. in relation to this subject.

EDWARD KENT.

COUNCIL CHAMBER, }  
February 8th, 1841. }



*To the Honorable,  
The Governor and Council  
Of the State of Maine:*

I have learned with surprise, that the Bank Commissioners, in their recent examination of the affairs of the Citizens' Bank of this town, found my name entered upon the records as a Director of that Institution.

I can say with truth, that I have never aspired to the honor of a Directorship in any Bank, and deeply regret that I had not been notified of my election to that office, before the examination of the Commissioners took place. I have, however, taken the earliest opportunity, after the fact came to my knowledge, to decline accepting the office, and should feel much obliged, if this fact could in some way be made known to the Legislature, if a communication is to be made upon this subject.

Respectfully,

Your ob't serv't,

DANIEL PIKE.

AUGUSTA, Feb. 8, 1841.





# REPORT.

---

*To the Governor and Council:*

Pursuant to your requisition of February fifth, requiring “the Bank Commissioners to inquire into and examine the doings and transactions of the Citizens’ Bank at Augusta,” we have investigated the affairs of that Institution, and now

## REPORT.

At the annual meeting of the Stockholders of this Bank in October last, a report was made by a Committee previously chosen, consisting of Reuel Williams, Nathan Weston, and Thomas W. Smith, in which they recommend the Stockholders “to wind up the concerns of the Bank as soon as it can be done conveniently ;” and give as a reason for this advice, that there are “now more Banks in Augusta than the business of the town requires, and more than can be made profitable to the Stockholders, by fair banking.” This recommendation was rejected by a large majority, and the Bank continued its operations. It had a good credit, its liabilities were small, its resources ample, and its Stockholders were men of undoubted responsibility. The Committee estimated the Stock to be worth ninety dollars a share, after making allowance for losses and bad debts.

In November following, an application was made to the Directors by S. G. Langdon of Hartford, Connecticut, for the purchase of the stock in the Bank, on terms particularly set forth in the proposition which is annexed to this report, marked A. Verbal communications had previously passed between the parties, and the terms, as now submitted in writ-

ing, were subsequently carried into effect. The stock was not transferred until January twenty-third, on which day, and the twenty-fifth and twenty-sixth of January, the Monday and Tuesday following, the conveyances were completed and the Stockholders received the amount of their stock at ninety-five dollars per share. Mr. Dole, the late Cashier, stated to us that the old Stockholders had their option, either to take money for their shares or a dividend of the notes of the Bank. Notes were generally selected, and the amount of the purchase for the whole Capital Stock, sixty thousand dollars, was paid as follows, viz:—

From the notes and bills discounted,	\$43,636 05
Interest which had accrued on them,	1,637 07
Cash,	11,726 88
	<hr/> \$57,000 00

The notes which were paid to the Stockholders consisted of eight thousand dollars in State scrip, paper of the Directors and Stockholders, and other prime securities.

The paper which remained of the old loan was nineteen thousand nine hundred and forty-five dollars and eight cents, of which four thousand four hundred eighty-four dollars and seventeen cents, with ten thousand three hundred eighty-one dollars seventy-nine cents in cash, were delivered to Carlton Dole, the late Cashier, to redeem the existing circulation and deposits, amounting to fourteen thousand eight hundred sixty-five dollars ninety-six cents, for the performance of which the new proprietors hold his bond.

This left to the new proprietors fifteen thousand four hundred sixty dollars ninety one cents, consisting mostly of past due paper, on which the Committee who valued the property in October estimated the loss equal to four thousand five hundred seventy-seven dollars fifty cents, from which Mr. Dole does not now materially differ. Also real estate twenty-one hundred dollars, lodged as collateral security, which Mr. Dole values at eleven hundred dollars; the deposit in the Suffolk

Bank, three thousand dollars ; cash on hand three thousand one hundred ninety-four dollars forty-eight cents ; and the notes put in by the new proprietors, amounting to thirty-two thousand three hundred eighteen dollars, which are particularly specified in the table annexed.

Thus the old Stockholders received ninety-five dollars on a hundred for their Stock, in cash, or its equivalent, which consisted of their own notes and the best portion of the loan, and reserved to themselves other funds, which are placed in the hands of their Cashier, to meet all the other liabilities of the Institution for which they were responsible. The entire Stock has passed into new hands, the owners of which reside out of the State ; and with a thorough change of its managers and its securities, the Citizens' Bank has become an entirely different Institution, although retaining the same name, from what it was three weeks ago.

We annex to this Report a list of the old Stockholders and of the new, and of the old and new Directors. With the exception of Mr. Langdon, the new Cashier, who says he owns the Stock standing in his name, the shares, it will be perceived, are owned by persons out of the State, although forty-four stand in the names of persons residing in Augusta. These persons are holders of the Stock merely for the purpose of constituting a Board of Directors, and have no property in it. Mr. Pike, who was chosen a Director on the first day of February, to whom nine shares were conveyed by Mr. Langdon, on the same day, without his knowledge or consent, has never been informed of his election or of his ownership of the Stock, nor given his assent to either transaction.

The negotiations with the Bank have been made entirely by Mr. Langdon. No other of the Stockholders or parties to the notes given as a substitute for the notes paid to the old Stockholders, have taken any part in the arrangements, or been present ; and at the meeting for the choice of Directors no other persons were present but Messrs. Langdon, Johnson, Hutchins, and

Winslow, who were all elected to the Board, January twenty-seventh, and Mr. Johnson chosen as President at the same time. Mr. Langdon acted under a power from the other Stockholders; he resigned the office of Director on the twenty-eighth of January, and was chosen Cashier. He is a young man from Connecticut, of very respectable family, and was formerly in the dry goods business in New York, and in 1836 became embarrassed in his affairs; he is highly commended for amiable and gentlemanly qualities.

A table annexed will show the state of the Bank this day, and another the loan. The new paper placed in the Bank as a substitute for paper paid to the old Stockholders, never received the action of any Board of Directors, but was placed there by Mr. Langdon, the agent of the new Stockholders, as part of its funds, as was also the item of seven thousand two hundred and seventy dollars, deposits by him in the Hamden Bank at Westfield, of which his father-in-law is President. It may be proper to observe in regard to the parties to those notes, that Mr. Griswold and Mr. Calkins are merchants in Norton, Ohio; G. C. Knight, E. Willey, Jr. and A. R. Snow & Co. are brokers in the City of New York; and Mr. Trowbridge, and Mr. Birdseye are fur dealers in the same City.

Of the responsibility of the Stockholders, we have no certain or definite information. John H. Munroe is a leather dealer in Boston; Charles A. Milliken and Samuel Flagg are partners, doing business in New York; Mr. Snow is said to be a wealthy broker in New York; and Mr. Stillman of Hartford is a hat dealer. During the week that the Bank has been in operation under its new direction, five thousand three hundred twenty-four dollars have been put in circulation, of an entirely new emission, under the signatures of the recently elected President and Cashier, wholly by means of exchanges; no discounts have yet been made.

From this brief statement of facts it will be perceived that

the management of this Institution has passed entirely into the hands of persons who reside beyond the limits of this State, whose responsibility and honesty are unknown to the people among whom the Bank now, but nominally, exists. The principal part of the loan too, is due from men under similar circumstances.

That such an occurrence was not contemplated when the charter was granted, we can readily suppose, for the privilege never has been, and we believe never would be, granted to persons who were not inhabitants of the State. Our true policy is to place institutions of so delicate a character as those which furnish a currency to our citizens, under the constant and jealous observation of the Government. The public security, and the interest of persons who unsuspectingly confide their property to the management of these fiscal agents, require of the overseers of the common weal that vigilance which not only exposes a wrong committed, but seasonably provides against it.

It seems to us that the consequences which may arise from such transactions to the reputation of our Banking Institutions collectively, and to the individual interests of our own citizens and those of other States who may confide in their general integrity, are too serious to be overlooked. And we cannot but think, that our Government owes it to the people, and to itself, to prevent our monied Institutions from being placed under the control of foreign brokers and bankers, however high their reputation or plausible their pretensions.

WM. WILLIS,  
JAMES CROSBY.

AUGUSTA, Feb. 6, 1841.

## A.

## PROPOSITION OF S. G. LANGDON.

AUGUSTA, Nov. 25, 1840.

To C. Dole, Esq.

*Cashier of Citizens' Bank.*

SIR—I am desirous of purchasing the Stock of the Citizens' Bank, to be conveyed partly to myself and partly to gentlemen whose names I have mentioned to several of the Stockholders.

It is our intention to operate with the Bank upon fair and honorable banking principles, and to redeem the bills promptly at the counter, at the Suffolk, and at New York City.

As soon as the Stock is in a situation to be transferred to us, I will be prepared with funds, and will pay for it at ninety-five (95) dollars per share—upon condition that the *Bank building*, the *Ruggles levy*, and the *Brown levy* are previously disposed of by the Bank, and good notes or other personal assets received in lieu thereof. The *Bank building* and lot to be sold at not less than \$4,700, and the *Ruggles levy* at not less than \$2,000, and the *Brown levy*, including the *Bridge and Stage Stock*, at not less than \$2,300, dividends off.

Also, conditioned further, that the present Board of Directors authorize the present Cashier to burn all the executed bills of the Bank now on hand, and also all the bills that shall be redeemed from circulation, as soon thereafter as shall be practically convenient. I will also redeem all the circulation and discharge all the liabilities of the Bank and give ample security that the same shall be done. Or the Bank may provide therefor and retain assets sufficient for that purpose.

Respectfully yours,

(Signed,

S. G. LANGDON.

LIST OF STOCKHOLDERS OF THE CITIZENS'  
BANK, PRIOR TO 23d JAN. 1841.

Names.	Shares.	Names.	Shares.
Elizabeth T. Abbot,	4	Elizabeth Dole,	10
Daniel Cony,	10	Issachar Snell,	9
Loring Cushing,	10	Sarah H. Snell,	1
Lucy Child,	11	John Means,	10
Allen Lambard,	9	H. W. Fuller,	10
Estate of Benjamin White,	5	H. R. Smith,	5
Israel Wilbur,	10	J. R. Abbot, Guardian,	5
Catharine Martin,	11	John Dole,	25
George W. Lewis,	30	Maria Moody, Ex.	10
Daniel Page,	5	James Weston,	25
Daniel Weston,	2	Est. Jas. Hall, by Ex'rs	10
Penelope Martin,	1	Thomas W. Smith,	3
George Williams,	1	S. E. Smith,	25
A. G. Dole,	40	Nathan Weston,	13
J. L. Child,	10	Hannah Swan,	10
Estate of James Child,	5	Lois Carlton,	4
John Potter,	4	Reuel Williams,	78
G. C. Child,	39	E. Craig,	1
Enoch Carlton,	2	Greenleaf White,	2
John Holmes,	5	John Dole,	60
Thomas Lenox,	16	B. Davis, Guardian,	4
M. H. Smith,	40		
James T. McCobb,	10		600

DIRECTORS IN CITIZENS' BANK PRIOR TO JAN. 23, 1841.

JOHN DOLE, *President*,  
JOHN MEANS,  
J. L. CHILD,  
NATHAN WESTON,  
H. R. SMITH,  
ELIAS CRAIG,  
J. T. McCOBB.

NAMES OF STOCKHOLDERS IN THE CITIZENS'  
BANK, AND RESIDENCE, FEB. 5, 1841.

John H. Munroe,	Boston,	109 shares,	10,900 00
S. G. Langdon,	Hartford	60 shares,	6,000 00
C. A. Milliken,	Chillicothe,	91 shares,	9,100 00
H. Stillman,	Hartford,	100 shares,	10,000 00
Samuel Flagg,	Hartford,	51 shares,	5,100 00
Aaron R. Snow,	New York,	85 shares,	8,500 00
William Seeley,	New Haven,	64 shares,	6,400 00
N. Hutchins,	Augusta,	25 shares,	2,500 00
Henry Winslow,	Augusta,	5 shares,	500 00
P. C. Johnson,	Augusta,	1 share,	100 00
Daniel Pike,	Augusta,	9 shares,	900 00
		<hr/>	
		600 shares.	\$60,000 00

---

DIRECTORS, OFFICERS, &C. OF THE CITIZENS' BANK,  
FEB. 5, 1841.

P. C. JOHNSON, *President.*

S. G. LANGDON, *Cashier.*

N. HUTCHINS, *Director.*

HENRY WINSLOW, *Director.*

DANIEL PIKE, *Director.*



*Carlton Dole's last Trial Balance.*

1841, Jan. 23, Capital,	\$60,000 00
Circulation,	13,465 00
Deposits,	1,400 96
Profits,	610 94
	<hr/>
	\$75,476 90
Notes, Bills and Bond,	67,182 42
Suffolk Bank,	3,000 00
Real Estate,	2,100 00
Cash,	3,194 48
	<hr/>
	\$75,476 90
To pay Deposits and redeem circulation,	1,373 04
	9,008 75
'New Stockholders paid C. Dole, Cash,	10,381 79
"    "    "    "    Notes and Bills,	4,484 17
	<hr/>
	\$14,865 96
C. Dole and John Means' Bond to redeem circu- lation and pay deposits,	\$14,865 96

*Augusta, February 5, 1841. Statement of the condition of the Citizens' Bank.*

Capital Stock,	\$60,000 00
New Circulation,	5,324 00
Old Circulation,	13,465 00
New Deposits,	200
Old Deposits,	1,400 96
Nett Profits,	482 93
	<hr/>
	\$80,872 89
Specie,	3,120 21
Bills of other Banks,	2,167 00
Due from Suffolk Bank,	2,107 63
"    "    other Banks,	7,670
Real Estate,	2,100
Notes and Bills,	47,842 09
Bond—on account of old circulation and deposite,	14,865 96
	<hr/>
	\$80,872 89

*Notes and bills due the Citizens' Bank, February 5, 1841.*

A. Griswold Jr. and S. G. Langdon,	due April 12—15, 1841,	\$5,000 00
G. C. Knight, dft. E. Willey Jr. acc. payable in N. Y.	June 8—11, “	6,250 00
G. C. Knight, “ A. B. Trowbridge, “	“ July “ “	6,250 00
A. R. Snow & Co. dft. C. D. Birdseye “	“ Aug. “ “	6,250 00
G. C. Knight, “ A. R. Snow & Co.”	C. D. Birdseye endorser, } due Sept. 8—11, 1841, }	6,250 00
Asahel Calkins, “ S. G. Langdon, “	C. D. Birdseye endorser, } due May 24—27, 1841, }	2,381 18
Sundry notes and bills being part of the old loan of the Bank,		15,460 91
		<u>\$47,842 09</u>

---

## STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }  
February 10, 1841. }

ORDERED, That the foregoing Message, Report and Communication be laid on the table, and 1000 copies be printed for the use of the Legislature.

[Extract from the Journal.]

ATTEST:                   GEORGE C. GETCHELL, *Clerk.*