

of Jenny's supposed death, was harrowing in its extremity. It was Falstaff, who discovered that grief always makes a man thirsty, and hence we were not surprised to learn from the papers, that when the great Daniel heard of the untimely fate which had befallen the sweet songstress, he laid in a bountiful supply of consolation and heart-cheering champagne. But we are gratified to learn that so soon as the report of her death was contradicted, he caused the wine to be recalled at once, intending to invest the proceeds in an elegant bracelet, which, with a lock of hair from each of the heads of departments, is to be presented to Jenny on her return to the Union.

Among the members of the Lower House, the sad intelligence of Jenny's fate produced the most lively symptoms of distress. An informal meeting is said to have been held upon the occasion, at which we are gratified to learn that the delegation from Alabama were present and conducted themselves in a feeling and most edifying manner. The distinguished Representative from this district is said to have been dressed in the deepest black, and one cannot assert that he wore crepe upon the occasion. At the meeting of which we have spoken, there was said to have been a very general desire to signalize the melancholy event by some act of national mourning. The Hon. David Hubbard suggested that 160 acres of the public land be given in fee simple to the heirs of the lamented songstress. The Hon. Mc. Cobb, of Alabama, proposed that the "franchise privilege" be extended to Jenny Lind's mother. He thought this would be a most touching memento of respect for the memory of the entrancing songstress. He had, he remarked, endeavored to dissuade Miss Lind from her contemplated visit to South Carolina. He was not disposed to be superstitious, but he could hardly avoid the conviction that Jenny's disastrous fate was a providential occurrence—a judgment against the terrible dissonance of that State, who were incapable of appreciating such divine harmony. Mr. Hilliard thought that the custom of the French seems might be very properly followed in marking the national sense of this lamentable bereavement. He, therefore, proposed that some distinguished orator be chosen to pronounce an eulogy on the departed Queen of Song. After Mr. Hilliard had concluded, Mr. Alton rose and made a very affecting speech. He acknowledged his grief for the deplorable catastrophe which had befallen the hearts of a nation somewhat tinged with selfishness. He had indulged the fond hope that this glorious incarnation of Music—the immortal Jenny—might have been permitted to visit a city which, he trusted, was destined soon to become the very seat of the music. He alluded to the commercial and musical emporium of his State and district—the flourishing city of Mobile. Its citizens, he said, were its constituents—he was proud of them—they were acknowledged connoisseurs—they thoroughly understood the difference between flats and sharps. But their enthusiasm sometimes blinded their discrimination. They had gone into hysterics about the exterminating of Madame Bishop, and every "bellowing bull of Bashan" who came among them as a singer, was received with indiscriminate applause. It was to correct this—to elevate the musical standard among that portion of his constituents, and to teach them the full and wondrous power of song, that he had hoped Jenny Lind would bless Mobile with her presence, and would even enliven in her own heavenly tones some of the sweet "Songs of the South—the Lynde of Southern minstrelsy. But alas! (exclaimed Mr. A.) those hopes have vanished, and Mobile is still doomed to know nothing more perfect in music than the performances of Signor Bochs, Madame Bishop and Dan Rice! Mr. Alton here applied his handkerchief to his eyes, and sat down amidst very general symptoms of deep emotion.

Some member (Mr. Bowden, we believe) here rose and suggested that such a ludicrous scene was inappropriate even to the funeral occasion of so joyous a creature as Jenny Lind. He believed that if her own wishes were consulted, she would prefer that her obsequies should be celebrated with the gayety which distinguished those of old "Rosin the Bow." He thought that she was worthy to be canonized as the Saint of Music, and that a day in the calendar of saints should be set apart, in her honor, to be ceremonially celebrated by all her followers. As no day (he remarked) was better than the present, he proposed that it should be called "Saint Lind's Day," and that the meeting should proceed forthwith to commemorate it in the way he had suggested. This proposal was received with acclamation, wine was ordered, and the whole meeting instantly struck up "Then, goes some downy good fellow, And stand them all round in a row, Let them drink out of half gallon measures To the memory of 'Rosin the Bow'!"

Soon after this our reporter's memory became somewhat confused, and the last event of the evening which he distinctly recollects, is that some distinguished member was entertaining the meeting with an excellent imitation of Jenny's famous "Hemp" Song.

We by no means vouch for the accuracy of this report, or any part of it. We are not even certain that such a meeting was held at all, but to the words of the old player, "We tell the story as 'twas told us,"

Tusculum (Ala.) Reporter.

### The Territory of Minnesota.

We have been much interested in the report of an exploration of the territory of Minnesota, by Brevet Capt. John Pope, of the corps of topographical engineers, submitted to Congress in March last, by the War Department, under the direction of which it was made, with a view to ascertain the geographical resources of the country. Our informant regards this territory, although almost entirely unexplored, as one of the most favorable character and calculated to attract the attention of emigrants, many thousands of whom both from abroad and from the Western States have directed their steps to that section, he nevertheless lacks that fullness and authenticity which in all times desirable, and which this report presents in a concise and highly interesting form. The report is eminently practical in its nature, and describes with much accuracy and detail the geographical and physical features

of the country traversed, which forms about one-third of the territory lying north and east of the St. Peter's, and north and west of the Mississippi, embracing about sixty thousand square miles. The whole territory lying north and west of Iowa and Wisconsin, contains about 360,000 square miles, being about three times the size of the State of Illinois, and its general character is such that it cannot fail to become, and perhaps at an early day, a great producing and manufacturing country, and forming two if not three additional members of our national confederacy. We purpose now, but a hasty glance at some of the more prominent facts presented by Capt. Pope's report. The first great peculiarity of the country is the wide valleys of two great rivers—the Mississippi and the Red river of the North—which, heading within a few miles of each other, discharge their waters, respectively into the Gulf of Mexico and the Arctic Sea. To the east, the western extremity of Lake Superior projects far into the territory, affording several fine harbors; and to the south stretch the fertile valleys of the St. Peter's and Jacques rivers—the one heading within thirty miles, the other approaching within ninety miles, of the head of navigation of the Red river of the North. The Mississippi is navigable for at least 400 miles of its course within the territory, the Red river of the North nearly an equal distance. The St. Peter's, with an improvement at one point only, for 230 miles, and the Jacques river through nearly three degrees of latitude. The immense number of lakes which abound in the interior, and which have been supposed to indicate a low and swampy region, are surrounded by a gently undulating country of the most fertile soil, abundantly supplied with timber; and the streams which connect these lakes, and which are the sources of the rivers which intersect the country in all directions, abound with rapid affording a water power as available as it is inexhaustible.

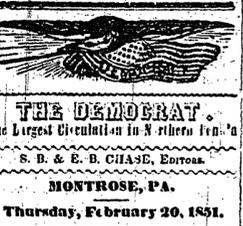
The country between the Mississippi, the St. Peter's, and the head of navigation of the Red river of the North, (says the report) contains the sources of all the tributaries of the Mississippi from the west, of the St. Peter's from the North, and of the Red river from the South. It is a gently undulating country, high and rolling in some places, abounding in beautiful lakes and containing about equal proportions of prairie and timber. The tributaries of the St. Peter's, Mississippi and Red river of the North overlap each other in all directions, and have their source in the numerous lakes which abound in this region. These lakes are connected with each other by small streams, varying from fifteen to twenty yards in width and three or four feet in depth, to a few feet in width to a few inches in depth. They, as well as the lakes, possess gravelly or sandy bottoms, and are so numerous and contain so many rapids that one could hardly travel ten miles in any direction without finding beautiful indications not only for agricultural but manufacturing purposes. The soil is the black vegetable mold, several feet in thickness, with various proportions of sand. The prairies of the upper Mississippi are mostly upon its tributaries. They alternate, even where most abundant, with much larger tracts of fertile country. The facilities of communication (says Capt. Pope) are good throughout, and I know no country on earth where so many advantages are presented to the farmer and merchant. They have not only the advantages of fine and unlimited water-power, and a climate practically healthy, but they have opening to them on all sides the shortest and most convenient channels by which to throw the Mississippi and Missouri, and at points navigated by steamboats, all their produce and every article of their manufacture.

The valley of the Red river of the North is about 300 miles in length from North to South, and 150 in breadth from East to West. In this whole extent it presents an almost unbroken extent of rich prairie, intersected at right angles by all the heavily timbered tributaries of the Red river from the East and West—the Red river itself running nearly due North through its center, and heavily timbered on both banks with oak, maple, ash, &c. This valley, from its vast extent, perfect fertility of surface, richness of soil, and unlimited supply of wood and water, is among the finest wheat countries of the world. The principal tributaries from the "Curee des Prairies" are the Wild Rice, Shavene, Elm, Goose, Turtle, Park, and Pembian rivers. Almost all these streams are navigable in the spring and summer fifty or sixty miles for flat boats, and are well timbered with elm, oak, ash, &c.

The valley of the Red river is entirely alluvial in its formation, no rocks in place being found in its entire length within the territory of the United States. This valley, the head waters of which, at various points, intersect the head waters of the Mississippi, is divided from the Mississippi valley by a sloping range of hills, rising probably 500 feet above the level of the country on either side. The report recommends the grants of land for the construction of railroads connecting the head of navigation of Red river with Lake Superior, and also with the Mississippi below the falls of St. Anthony. To show how nearly the heads of navigation on either side approach each other, and the facilities for thus uniting them, we make this extract:—

"I ascended the Red river in boats from our northern frontier, in Pumbia, to Otterdale lake, and found it navigable with the force of three or four feet draught for nearly 400 miles of its course, and to a point within 100 miles of the navigable waters of the Mississippi on either side. The report recommends the grants of land for the construction of railroads connecting the head of navigation of Red river with Lake Superior, and also with the Mississippi below the falls of St. Anthony. To show how nearly the heads of navigation on either side approach each other, and the facilities for thus uniting them, we make this extract:—

and at favorable seasons for six months of the year. The whole of the territory lying west of the valleys of the Red river and St. Peter's is still unexplored, but examination will be continued. Three tribes of Indians—the Sioux, the Winnebagoes and the Chippewas—occupy the districts of country above described, and number about 20,000 souls. Its immediate purchase from them by the government is recommended. The settlements of Americans in Minnesota are at present entirely on the east or left bank of the Mississippi, as the lands on the west are still in the possession of the Indians. The three villages most prominent are St. Paul, about 25 miles below the mouth of the Mississippi; St. Anthony at the Falls of Laka St. Croix. The east bank of the Mississippi, as far north as the mouth of the Crow Wing river, and the west bank of the St. Croix, are fast filling up with inhabitants, and the fact that four or five steamboats are necessary for the trade with Galena and St. Louis, is sufficient evidence of the prosperity and success of this portion of Minnesota.—Daily News.



Report of the Commissioners Appointed to Investigate the Affairs of the Bank of Susquehanna County.

We print, this week, the Report of the above named Commissioners made to the Legislature in pursuance of the Act by which they were appointed. The Report bears upon its face ample evidence of the fairness, faithfulness and ability of the Commissioners, and we trust, all who feel an interest in the matter will read it with care and candor.

The first thing that strikes us as remarkable in the conduct of those who had the institution in charge, is the fact that "no bill was ever given by T. P. St. John or C. P. De Lattimer while they acted as Cashiers," and yet the Directors wholly surrendered the discounting business of the Bank to their hands. Next, the capital stock of the Bank was \$100,000. Of this \$81,200 was taken as "surplus stock," by a company formed for that purpose, and was never paid into the Bank, leaving but \$18,800 of stock actually paid in. It does not appear that even this was ever all paid in. In reference to this transaction the Commissioners have well said, that "it was in open and flagrant violation of law, and a gross wrong of the subsequent mismanagement and disasters of the Institution."

When the Bank came into the hands of the Messrs. St. John, it appears to have resumed operations with a basis of \$40,000, and it does not appear that this sum was subsequently increased by payment of stock; and yet, at the time of the failure, there were in circulation over \$200,000 of its notes. These notes, it will be observed, were mostly issued in three "special loans," to Messrs. Munn, St. John and Thompson; two of which were authorized by the Directors, embracing about one hundred and forty thousand dollars of the amount in circulation. Here, too, is a very unfortunate circumstance for the Directors. The loan authorized by them to Munn of \$184,000, was taken without security, and he was wholly irresponsible; and further, *seventy-three thousand dollars* was never accounted for by him.

Of the loan to Mr. St. John of \$20,000, also authorized by the Directors, \$12,000 remains unaccounted for.

It appears, from the evidence, that the President and Directors knew nothing of the loan to Thompson of \$75,000. This seems to have been made by Mr. St. John and De Lattimer. The gross negligence of duty, can only explain how \$65,000 could have been issued by the Bank without the knowledge of the President.

We have no disposition to censure ourselves an empire to press upon the motives of those implicated in this unfortunate affair. They may have intended no ill; but when such gross and palpable violation of law is resorted to at the outset, and followed up by the wild and most extravagant system of banking inadvisable, it is hard indeed to satisfy people that "all is right." Had the stock of the Bank been retailed paid in at the outset, or even a considerable portion of it, the whole thing would be stripped of much that now appears like dishonesty. The most visionary subtleties were resorted to, to evade the requisitions of the Charter, and the whole operation was carefully concealed from the Legislature and the public. It is worthy of remark, however, that morality in banking operations increased, as the two last reports by the Cashier to the Auditor General were mere statements, "bearing the appearance of official truth though not such in fact."

These are facts that stare us in the face which ever turn the thing takes, and it cannot be expected that a plundered community will not justly feel outraged and indignant.

There are some palliating circumstances, for our citizens were connected with the Bank at its failure. We do not believe they ever deliberately contemplated to swindle the community. We cannot think that those men would harbor such a thought. They probably thought all would come out right in the end and no one be injured; or, what is most likely, (though no excuse) thought nothing about it. We say no excuse, for they stood prominently forward as officers, and the confidence of the public in their integrity and business capacity gave credit to the Institution. The course which was pursued under their sanction was anything but a prudent one. The lesson taught by this should be a warning to men to whom they erode law to create Corporations. To those who constituted the original stockholders, the Legislature had granted privileges, on the faith that certain conditions would be fairly complied with on their part. If those could not be met, obviously, the proper course to pursue was an application to the Legislature for the capital to be reduced to a sum sufficient to do a small, but regular and safe business upon. If such a course could not be raised and paid in, then the course that should have been pursued is exactly as plain as the other, viz: the attempt to institute the concern never should have been made. Much rather have committed the charter to the flames than resort to such a violation of its provisions. There was fraud and deception in the impetuosity of the concern, unaccountable negligence in its management, and how could the results be other than ruinous!

In reference to the final termination of the Bank, and who was most culpable in bringing it about, we have no means of knowing more than most of our readers. From the report they can judge as well as we who were the parties to those "special loans" which undoubtedly hastened the termination of its integrity, and whose direction and sanction they were made. If, as alleged it was a wild speculation on the part of Mr. St. John, he certainly exercised a strange power and influence over the other officers, or they never would have consented to any part of them, knowing, as they must, that a single one (to Munn) far exceeded the ability of the Bank to redeem. All the assets that ever were made available, by the report, amounted to about \$24,000, and here is an issue authorized to one man of over \$200,000, to say nothing of two other large contracts, together with the proper circulation. Nothing but a miracle could save any Bank thus recklessly conducted. The matters between the Bank and Mr. St. John we refrain from passing any opinion upon. They are in course of legal investigation, and it would be highly improper for us to make statements that might have a tendency to prejudice the minds of those who may be called upon to decide them. What appears from the report, our readers can judge of as well and correctly as we.

We most sincerely regret that the affair ever happened. It is unfortunate for the county and peculiarly unfortunate for Montrose. The confidence of the public is impaired; many estimable men, whose only sin perhaps, is that of doing nothing, have suffered in reputation, and a state of feeling, truly deplorable, has been engendered, that the next half century will hardly obliterate. Men may resort to evasions of law where their own interests only are at stake, and where none but themselves can feel the consequences; but, when whole communities are involved, a fair and lawful course can only exculpate those who have the matters in charge.

THE TARIFF NOTE.

The Legislature for the past week, has done nothing of importance except to discuss and vote upon the Tariff Resolutions of Mr. Walker (Whig) of Erie.

In the House the subject was referred to a Committee of five, composed of the following gentlemen:—Bonham, Bridle, Brown, Killinger and Pennington. Messrs. Bonham and Bridle have submitted a report, advising the whole Tariff controversy from the organization of the government to the present time. It is eminently a democratic document, the production of a master mind. The arguments are clearly set forth, and unanswerable; abundantly sustained by the experience of the past, and sanctioned by the observation of our most enlightened statesmen. We rank this document next to the Report of Secretary Walker and shall publish it as soon as possible. Messrs. Killinger and Brown were the advocates of the Chinese-walrus system of the Whigs, and as such have made a minor minority Report.

In the Senate Mr. Muhlenberg (Dem.) offered an amendment recommending specific duties, and Mr. Sanderson brought forward his resolutions, which we published week before last, embodying the principles of the Tariff of '46. Around the resolutions of Mr. Sanderson the true Democrats rallied and fought faithfully and well. Mr. Sanderson supported them, in a lengthy speech of much ability. But neither eloquence nor argument prevailed; his blind devotion to an exploded system, coupled with self interest, held the majority, and the resolutions of Mr. Walker prevailed. Our people, we trust, will be Democrats voting with the Whigs. The resolutions of Mr. Walker are about half '42. It is only necessary, to state, in order to show the sincerity of the Whigs in their system, that when Mr. Hagus offered an amendment, instructing our Representatives in Congress to repudiate the Tariff of '46 and restore that of '42, they dare not "leave the music" and vote for it.

That the Tariff of '46 can be essentially modified, at present, no one can suppose. The large democratic majority in the present and next Congress precludes such a possibility. We therefore see no reason for our Legislators occupying so much time in attempting to pass instructing resolutions to our Representatives in Congress. Governor Johnston commenced the war, and, without doubt, for political purposes. All that he and his friends have made by it, they are welcome to; the effect of it has brought forth the Report of

Mr. Bonham, which, when generally read, will do their cause more injury than their financial success can possibly have done it good.

discreetly, the Reservoir, &c. For the information of those who have failed to read our position in reference to this matter we make the following statement: First, we have never signed a petition for the removal, we never shall sign such a petition, nor have we ever encouraged others to do so. Second, we have never signed a remonstrance against it, nor shall we do so. Third, we have never signed a petition either for or against the Bank Road, and should not have signed one if we had.

The columns of our paper have been freely opened to both sides of the question, and will be in future if desired. For our own part, we saw from the outset good reasons for taking no part in the controversy. Thus far we have done so, and intend to do so in future. Any person who represents us otherwise, knows that it is wholly untrue; or, knows nothing about it. We fearlessly call upon every man in this community to come forward and contradict the above statements, with the least shadow of truth on his side. Petitions, both for and against the removal, have been printed at our office; and, if desired, we shall print more; when, as previous, they are accompanied with the fee.

THE ATLANTIC SAFE.—In our news column it will be seen that the Steiner Africa arrived on Saturday last, at New York, bringing the intelligence that the Atlantic is safe. Probably nothing for a long time has caused more universal shout of joy in the City than this. As soon as the announcement was made, it spread with lightning speed through the whole city; and in the different Theatres the plays were stopped; and the heart-thrilling news announced, amid loud cheers, waving of hats and handkerchiefs, and other expressions of the wildest joy. When the account was issued from the Press, the new-boys were running to and fro with the glad cry on their lips; and altogether such a general congratulatory time New York has not lately witnessed. And not at all behind will be our other cities; and even in every country town much of the same glad feeling will be manifested.

THE MURDER OF OWEGO.—From the Owego Gazette we learn that the funeral services of Mr. Garrison, who was murdered by his brother-in-law, John M. Thurston, the circumstance of which we gave last week, were attended on Sunday, the 9th inst., by the most numerous assemblage ever witnessed in that place on a funeral occasion. We stated last week that Mr. Thurston, manifested no contrition for the dreadful deed. Now, however, since he has had time to reflect upon his situation, he shows some repentance; and is at times so deeply affected as to be unable to converse with his friends who visit him. It is said he expresses great concern for his spiritual interests, and has requested that Eld. A. L. Post be sent for to visit him.

IN CONGRESS.—We find nothing of importance in the proceedings of Congress during the past week. The Senate is at work on the new Postage Bill, and made several amendments; but has taken no definite action.

The contracts for printing for the next Congress were opened last week.

We learn that Mr. Rives of the Globe, is the successful competitor for the largest portion of pieces ever below those paid for printing for the present Congress. Board Hamilton, of Philadelphia, was the lowest bidder for the remainder.

What! Patent Medicines again! Well a little patience is all we ask. We supposed that it was so situated that we could release ourselves from the contract, to publish them the first of January; but find to the contrary without suffering pecuniary loss. To finish up the contract, however, will require only a few weeks, when our friends may rely upon never seeing them again in our paper. We are forced to do so, or lose what we have done.

We learn from Mr. Bucklew that the Bank Report as contained in the Pennsylvania from which we have copied, has several errors. As soon as we shall learn what they are we shall cheerfully make the corrections.

The Bank Report, and the important news by the Africa have crowded out our usual summary of Legislative proceedings.—There is nothing however of the least interest to our readers, save the action on the Tariff question, which we have given.

FLOOD AT DEPOSIT.—From the Deposit Courier, Extra, we learn that a severe flood visited that village last week, occasioned by the ice damming up in the River below.

We shall publish the remarks of our Senator, Mr. Sanderson, on the Bill to repeal the Revenue Board, next week.

COMMUNAL WEALTH AGAINST THE BANK OF THE UNITED STATES.—The important case of the Commonwealth against the Bank of the U. S., which was instituted to recover the sum of \$100,000 due under its charter in 1841; and which has recently been decided by the District Court of Phila. These cases involved important principles, having reference to the existence and liability of the corporation. The cases were decided by Judge Sharswood in favor of the Commonwealth. The claims with interest, for which judgment was rendered, amount to \$1,203,750. This sum, if secured, is to be appropriated under the provisions of the charter report of the case. General Beck, Auditor General and General Beke, State Treasurers are entitled to great credit for their energy and ability in the prosecution of these claims. Counsel for Commonwealth, Francis Wharton, C. Gibbons and B. Champey. For Bank U. S., W. A. Porter and G. M. Wharton, Esqrs.

Report of Caleb E. Wright of Susquehanna Co. and C. E. H. Hester of Columbia Co. Commissioners to Investigate the Affairs of the Bank of Susquehanna County.

To the Hon. Senate and House of Representatives of the Commonwealth of Pennsylvania. The Commissioners to investigate the Affairs of the Bank of Susquehanna County.

REPORT. That they have discharged the duties prescribed in the act appointing them, and transmit herewith the parcel and documentary evidence elicited by the investigation. In order to report accurately the causes of the failure of the Bank, a statement of its organization and general management becomes necessary, and in fact, appear to be contemplated in the act authorizing the investigation.

The Bank of Susquehanna County was incorporated by act of Assembly passed April 21, 1837, (S. Laws, 1837, pp. 280.) The capital stock to be 100,000, divided into 2000 shares of \$50 each. The capital stock was sold by Commissioners upon the 1st day of September, of the same year. The Bank went into active operation 18th December, 1838, and continued to do business until January, '43, when it suspended. It was reconstituted, and resumed operation 9th April, 1845, and it finally failed October 27th, 1840. James C. Biddle served as President of the Bank, from its organization until his death, in April, 1841, when Wm. L. Post was elected, who continued James S. Kellum served as Cashier until the 21st of June, 1843. There was then no Cashier until 8th April, 1845, when Thos. P. St. John was elected. He served until 4th August, 1845, when C. P. De Lattimer, was chosen, who continued to be Cashier until the failure in October. No bill was ever given by St. John or Lattimer, while they acted as cashiers. The names of the Directors, as they were annually chosen since 1843, appear in the evidence herewith reported.

Prior to 1st September, 1837, (when the stock was sold) a company was formed for the purpose of taking all the stock that was wanted by individuals, residing in the vicinity of the bank, and to this end the company procured \$10,000 from the Towanda Bank, to pay the 10 per cent required by the act of incorporation, to be paid at the time of sale. For purpose of designation, the stock so taken by the company was called "Surplus Stock." One of the members of this Stock Company, was chosen Treasurer by the Commissioners, and acted as such at the sale. The stock was all sold on the 1st September, 1837. It was divided off in the names of individuals, and the 10 per cent, paid principally in the notes of the Towanda Bank. But over three-fourths of the whole stock, was in fact, (although in individual names) an account of the stock company, and subsequently held by it. The Bank did not open its operation for more than a year, after the sale of stock and during that time some few shares of the surplus stock were taken by individuals, to hold in their own right, and transferred to them.

On the 10th of May, 1833, the Directors, by a resolution, appointed the President of the Bank and Wm. Ward a committee, with full power to negotiate in Philadelphia, or elsewhere, sale of a portion of the surplus stock, but no very considerable amount appears to have been sold. The surplus stock was given upon the 4th December, 1838, to reconvert the surplus stock, one of them signed by the members of the Stock Company for \$60,000, and another by James C. Biddle, on their behalf, for \$15,000. These notes were drawn payable to, and deposited with Allen & Paxson, merchants in the city of New York, and a formal credit therefor entered in favor of the Bank, about the time of its organization. A special loan of \$11,653.37 was made from Allen & Paxson about the same time, and was actually remitted to the Bank about the 7th July, 1839, apparently upon the \$60,000 note above stated. But shortly afterwards, in 1839, these stock notes were returned to the Bank, and on the 1st November, 1839, two new notes were given, in renewal thereof, both drawn payable to the Bank, and signed by the members of the Stock Company, one for \$48,344.33, and the other for \$15,000.—These two notes remained in the Bank until the time of the suspension in 1843, when they were carried off by Kellum, the retiring Cashier, and by him to about 3d May, 1844, with John F. Means, Esq., of Towanda, where they have remained ever since.

Upon the 27th November, 1843, the Directors of the Bank passed a resolution authorizing an assessment or transfer of the surplus stock to the bank and that the stock notes thereof should be cancelled. The same day this transfer was made accordingly. The amount of surplus stock so transferred to the bank is stated upon the transfer book to be 1636 shares, amounting to \$81,800. The whole capital stock being \$100,000, there would therefore remain but \$18,200 (364 shares) at that time held by individual in their own right. The evidence is clear that the surplus stock was never actually paid in, and that no certificate was ever issued therefor. The 10 per cent in Towanda money, paid thereon at the sale, and the special loan of Allen & Paxson, were arranged by the bank, the stock company eventually being subjected to no responsibility or loss. The surplus stock notes were simply used or held by the Bank for a time, and eventually being cancelled by the Directors without payment. The whole transaction is so in violation of law, and the ground-work of the subsequent mismanagement and disasters of the institution.

The act incorporating the bank provides as follows in relation to the payment of the stock. (P. Laws 1, B. 7, p. 280.) "Section 7. No discounts shall be made nor any notes issued by said bank, until the whole of the capital stock thereof be paid in, nor shall the said bank purchase any, nor shall any loan be made upon the pledge of its own stock." The fact that the capital stock was not paid in was suppressed and unknown to the Legislature, and the public. The annual report of the Auditor General represented the capital stock at its full amount of \$100,000, during the whole existence of the bank, and the evidence of one of the stockholders, Mann its circulating notes to the amount of \$184,000 for his use, and to be put

until after the suspension in 1843. The returns to the Auditor General were made by the Cashier before a discreditable of the Bank, who was one of the Directors of the Bank, and constituted the official intelligence given to the public by the institution in relation to its condition and management. The two last reports were not sworn to, but had attached to them a statement, bearing the appearance of an affidavit, although not such in fact. The lack of actual capital by the bank doubtless led to the arrangements entered into in 1844 and 1845, for the re-organization of the institution, in connection with the resumption of operations.

The suspension in 1843 is imputed by the law mainly to alleged mismanagement of Mr. Kellum, the Cashier, and to losses consequent thereon; but the President of the Bank states that after the suspension, upon a careful examination of the affairs, it was ascertained to be a prudent and a wise arrangement. Yet, with whatever credit, and with little capital, and that mainly outstanding in the shape of debts due to the institution, the Bank was not in a condition to resume operations, without some new arrangement in its organization that should invigorate its credit, and put it in possession of funds. Such an arrangement was made in 1845, but it was one of a visionary character, that could not reasonably be expected to terminate otherwise than in disaster. That arrangement was substantially as follows:

First.—That the Directors and Stockholders of the Bank should make a Stock-take in St. John and Cordard and A. St. John of one-third, amounting to five or six thousand dollars, of the stock individually held by them, the said Directors and Stockholders.

Second.—Sell to same \$6000 worth of the surplus stock for half price (\$3000.) Third.—Give St. John & G. dard and A. St. John the management of the Bank, and if required, the right of naming a majority of the Directors.

Fourth.—St. John and G. dard to loan the bank funds to reconstitute the credit at 6 per cent, to be repaid when the bank was able. St. John & G. dard were then a firm of brokers in Philadelphia. A. St. John was a lawyer and a resident of the city of New York. Pursuant to this arrangement, Thomas P. St. John came to Montrose, was chosen Cashier, and the Bank re-opened business on 9th April, 1845. A St. John paid into the bank \$30,000 for the \$6000 worth of Surplus Stock sold him, and also paid in an additional \$1000 for \$2000 worth of the same stock. Thomas P. St. John, (independent of funds advanced on loan, if there were any) conducted the business of subsequent banking operations, which were so conducted that at the time of the failure, in 1840, the amount of notes out was about \$205,000. In addition, however, to this \$400,000 property owned by the Bank and debts due it, should be estimated among its liabilities resources, and a portion of the notes out, (under special contracts hereafter stated, although beyond the control of the Bank) were possibly not in general circulation.

The original by-laws of the bank adopted December 12th, 1838, appear well calculated to secure a well managed institution of its affairs. The third provision that paper circulating \$250, offered for discount, should have at least the responsibility of the names including the mark or signature. The sixth that no note or bill be discounted except with the assent of a majority of the Directors present, except in case of such as might appear as drawers & cashiers, and the President and Cashier might discount paper between the regular discount days if the consent of the resident directors, but such discount to be submitted to the Board for their consideration at their next meeting. The thirteenth, that no note or \$4000 be discounted for any person at the time. The fourteenth that the Cashier be authorized to discount paper for the use of the bank during the recess between the meetings of the Board, if further resolved, that the Cashier be authorized during the recesses in the meetings of the Board, to discount such paper as he in his discretion may think best. A more complete surrender of the discounting business of the bank into irresponsible hands, could not well be conceived. The Cashier had never given bill, at the time of the failure, in 1840, the by-laws of the bank were by these resolutions deliberately disregarded.

Had the grossest violation not only of the by-laws, but of a system of regular banking, been in regard to special loans, there were three loans, entered under the head, two of which are admitted to be made under the authority of the Directors, and the other, is asserted by the report, was made by the Cashier, without authority. For purpose of designation, these loans are named respectively, the Mann loan—the St. John's loan—and the Thompson loan.

The Mann Loan.—On the 13th of May, 1846, the Directors resolved that the President and Cashier were authorized to make an arrangement of J. Seth H. Mann, Esq., of the Canal Bank of Cleveland, or of him and T. B. Severance, Cashier of the Canal Bank of Cleveland, Ohio, to furnish to the bank the circulating notes of the Susquehanna County Bank in amount exceeding \$100,000, on such terms as might be thought proper and just, and to deliver to said Mann or Severance, such sums as they might deem proper. Pursuant to this resolution, a certificate was entered into between the Bank and H. Mann, the terms of which were as follows:—That the Bank would loan to Mann its circulating notes to the amount of \$184,000 for his use, and to be put