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NH, Lancaster

****White Mountain Bank of Lancaster***

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[1849-1865]

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[Failed]

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Only state issuer of “Santa Claus” bills

The strange career of George C. Williams

History and Commentary

WHITE MOUNTAIN BANK OF LANCASTER

Chartering the White Mountain Bank

On January 1, 1849, the White Mountain Bank was chartered by the State Legislature.¹ The capital was set at \$50,000, to be divided into no fewer than 500 shares nor more than 1,000 shares.

¹ *Laws of the State of New Hampshire; Passed November Session, 1848*, pp. 760-763.

Incorporators included James B. Sumner, James W. Weeks, Oliver B. Howe, Robert Ingalls, Hezekiah B. Parsons, Jr., Hazen Bedel, Joshua Marshall, Edward B. McIntire, Richard P. Kent, Benjamin Hunking, and Barton G. Towne. Some of these names will be familiar to present readers, as they were also involved in the Lancaster Bank, which in 1849 was in the sunset of its checkered existence, these being Sumner (founding president of the old Lancaster Bank), Kent (one-time cashier), and Hunking (director of the old bank).

The charter was to begin on March 1, 1849, and to continue for 20 years. The bank was mandated to go into effective operation on or before the second Wednesday of June 1850, or the charter would be voided. Currency circulation was permitted up to the actual value of the paid-in stock. Notes were required to be signed by the president and countersigned by the cashier. Other terms were normal for bank charters of the era.

The directors, seven in number, were required to be citizens and residents of the state. No stockholder could have more than 20 votes regardless of the number of shares owned. The annual meeting date was to be set by the directors. Other meetings could be called by “posting up a notice thereof in two public places in said town of Lancaster.”

Redoing the Charter

On July 12, 1850, the State Legislature issued another charter to the White Mountain Bank, without reference to the first one.² The capital was set at \$50,000, divided into no fewer and 500 shares, a slight revision from the first time around, the 1849 charter, which permitted up to 1,000 shares. On the same day the Amonoosuc Bank of Bath was rechartered with the same procedure.

Incorporators in 1850 included James B. Sumner, William Burns, John H. White, John M. Gove, Charles Bellows, James W. Weeks, Oliver B. Howe, Robert Ingalls, Hezekiah B. Parsons, Jr., Joshua Marshall, Richard P. Kent, Benjamin Hunking, and Barton G. Towne. Gone from the 1849 roster were Hazen Bedel, Edward B. McIntire, and Richard P. Kent. New names in the 1850 line-up, but not in the 1849 listing, included William Burns, John H. White, John M. Gove, and Charles Bellows. White had been the founding president of the Lancaster Bank. Clearly, a reunion of sorts was taking place.

The charter of the White Mountain Bank of Lancaster was to begin on March 1, 1850, and to continue for 20 years. The corporation was mandated to go into effective business operation on or before the second Wednesday of June 1851, or the charter would be voided. Other provisions remained essentially the same as in the first charter.

Starting in Business

The White Mountain Bank commenced business in 1852 with \$50,000 in capital stock. The founding president was James B. Sumner, of Dalton. The first cashier was George C. Williams, prominent local citizen and son of Jared W. Williams, the last a man

² *Laws of the State of New Hampshire, Passed June Session, 1850*, pp. 996-1000.

of unquestioned rectitude who in 1847-1849 had been governor of the state, but who had the curious status of recently becoming a director of the Lancaster Bank, then in the final throes of its failure. Perhaps there was an intention to transfer some business, such as it may have been, to the new bank from the wreckage of the old, although no such documentation has been located.

The directors of the new bank included president Sumner, Barton G. Towne, James W. Weeks, Edward C. Spaulding, Jr., Oliver B. Howe (of Shelburne), Hezekiah B. Parsons, Jr. (from Colebrook), and Moses Woodward (who lived in Jefferson).

On May 19, 1852, the White Mountain Bank had its first visit from an examiner when Frederick Vose paid a call. He had other business in town on the same day, namely checking on the Lancaster Bank, which was in such disastrous financial condition that he recommended that it be closed down forthwith.

Cashier George C. Williams greeted him and showed him a statement of the White Mountain Bank's assets and liabilities, and advised that recently, on April 17, the bank had placed its first bills into circulation, an amount that by May 19 totaled \$4,886. The full capital stock of \$50,000 had been paid in, and \$50,203.74 in loans had been written. How much of these loans went to buying stock was not stated, except that one of the directors owed some money in this regard. No expression was made as to the quality of the bank's books or the business it was doing.

In August 1852, a 6% dividend was paid.

The Bank Continues Its Profitability

Business was good from the outset, with George C. Williams tending to daily affairs, including greeting customers, making loans, paying out and taking in paper money, the last printed by Rawdon, Wright, Hatch & Edson in New York City and bearing the name of their branch, the New England Bank Note Co., Boston. The oldest son of Gov. Jared W. Williams, George had distinguished himself in scholarship at Lancaster Academy and by graduating Phi Beta Kappa from Dartmouth College. Following the study of law he was admitted to the bar in 1848. A man of fine reputation and from one of the district's leading families, he occupied several public offices during the decade of the 1850s and was widely admired.

With James B. Sumner in the chair, the bank directors met each month to review the loans and give their stamp of approval to cashier Williams' actions. In another examination, on May 12, 1853, Vose reported that \$41,193 worth of bills was in circulation. All was well, and there was \$3,980.21 in the profit account. From every indication the White Mountain Bank was in solid condition—not another version of the financially questionable Lancaster Bank.

Dividends of 7% were paid in May 1853, 4% the following November, and 5% in May 1854.

In 1857 or 1858, Jared W. Williams became president, replacing James B. Sumner. Now, it was a family bank—father Jared and faithful son George. Most stock was held by

the Williamses and other investors in the region, with an 1859 report stating that of the 500 shares outstanding, just 20 were owned out of the state.

In the spring of 1859 state bank examiner Daniel P. Wheeler visited Lancaster to check on the White Mountain Bank per a normal annual review. At the time, loans totaling \$87,140.30, were due to the bank, of which \$13,672 were overdue. Sometimes good customers were slow in paying, and cashier George C. Williams assured him there was no problem. During this era banking connections were often on a personal basis, and friends of nearly every bank in the state were allowed to keep their loans on the books for a long time, never mind that now and then they slipped behind in payments.

Only \$500 was considered absolutely bad, perhaps due to bankruptcy or from someone disappearing to parts unknown—the nature of the loss was not stated. The cashier of this, similar to those holding the same position in other banks, was in charge of determining which loans were good, which were questionable, and which were worthless. No matter if someone was teetering on the edge of bankruptcy and was a year or more behind in interest and principal repayments, they were still considered “good,” and examiners were seldom told otherwise. The typical auditor was on the premises for a few hours, rarely even a full day, and simply reviewed what the cashier decided to show him. The balance sheet of this any most other banks thus appeared to be stronger than it really was.

With solid figures, profits were indicated, and from those profits dividends could be distributed. Accordingly, the White Mountain Bank had paid out 8% in dividends in the past year, 4% each in May and December.

In his report, examiner Wheeler commented: “In my opinion the bank has erred in making so large dividends in the past year,” perhaps fearing a rerun of the Lancaster Bank house of cards scenario, but not giving specific reasons why he thought the payout should have been smaller.

Examination Practices and Procedures

Commissioners had no policing power, and seldom made recommendations, generally limiting their reports to casual comments. Unless there was obvious criminal activity, the recommendations were simply published in an annual report, and the originals were filed away in Concord. No legislative or other action was taken, and rarely was there a continuing stream of correspondence to check on whether any suggestions had been followed. As had been demonstrated by the Lancaster Bank, even if the directors received instructions—in that case, to pay up the amounts due on capital stock—there was no way to insure that this would be done, and no effective mechanism to enforce such directions.

While such auditing and banking practices may seem casual or even improbable to modern readers, in later decades things did not change much in the National Bank era, as can be seen by reading various reports. Not until the 1930s, in the twilight era of currency issuing, did examiners make recommendations that were generally enforced.

Sanborn's Audit of 1860

In April 1860, Cyrus K. Sanborn was the bank commissioner who paid a yearly call on the White Mountain Bank, one of a string of such institutions assigned to him. As did the other two commissioners in other sections of the state—in this year Daniel P. Wheeler and George W. Pinkerton—he continued the usual practice of reviewing the statement prepared by the cashier in advance and poking through selected documents. Soon afterward he copied the bank's numbers into his report and added a few observations.

Sanborn found, or was told, that \$75,820.30 in loans was due to the bank, of which only \$500 was considered to be "bad" by cashier George C. Williams, another \$1,724 was viewed as "doubtful," a further \$2,000 had been formally protested (legal demand for immediate repayment), and the additional large amount of \$22,000 was overdue, but no action had been taken. All told, this amounted to over \$26,000 in problem loans, or more than a third of its loan portfolio. By not charging off more loans, cashier Williams was able to book "profits" for the bank, quite handsome, and amounting to 8% in the most recent 12 months. Again, such was standard banking practice during the era. There were no "loan loss reserve" accounts.

Similar to commissioner Wheeler's comment the year before, Sanborn stated: "I am, of the opinion that there should not have been so large dividends declared the past year, and that there should be a rigid enforcement of those old claims due the bank." However, certain other banks in the state also had overdue loans, usually pronounced "good" by the cashier, who often stated that they were from reliable citizens of sound financial footing, who would in time make full payment. In the meantime, they were paying interest to the bank.

Sanborn recorded that there were 27 stockholders in 1860. Cashier Williams advised him that \$51,015 face value in signed bills existed, and that \$39,100 were in circulation. By this time the \$2 denomination of the White Mountain Bank featured a central illustration of Santa Claus and his sleigh, departing from a rooftop, with reindeer prancing into the sky.

Wheeler's 1861 Examination

State bank commissioner Daniel P. Wheeler was up in the north country in early 1861, and on March 19th he paid another call to the White Mountain Bank, the first stop on his swing around the assigned circuit. On the next day he would be in Laconia at the Belknap County Bank.

President Jared W. Williams now had a smaller board of directors, with just three besides himself: Barton G. Towne, James W. Weeks, and William Burns. Oliver B. Howe and Edward C. Spaulding were no longer listed, and no replacements had been secured. It remained a tight little enterprise, with just 20 shareholders who were comfortable in a situation with one of Lancaster's first families, father and son, continuing to bring in the profits, although last year the dividends were 7½%, or slightly less than the year before.

Overdue and questionable paper remained on the books, and on checking the report filed by examiner Sanborn in 1860, Wheeler commented:

As remarked by the commissioner last year, “the bad and doubtful paper is very old,” also a portion of the overdue paper, “and there should be a rigid enforcement of these claims.”

I am sorry to say that his advice has not been followed; and instead of diminishing the amount of overdue paper, it has *increased*.

Within the year bills in circulation had swelled to \$43,780, no doubt including more of the attractive “Santa Claus” vignette notes—the only such paper issued by any bank in the state. However, there was really no Santa Claus at the White Mountain Bank, and the examiners were worried, although they could do nothing except make remarks and recommendations. To dare to criticize the presidency of former governor Jared W. Williams or the policies of his widely esteemed son would have been political suicide—for bank commissioners were appointed, not elected, and could be discharged at whim. As will be seen, even after Williams *died*, he was still a sacred cow, or his memory was, and official as well as later historical reports were appropriately distorted to preserve the family image.

Audits of 1862 and 1863

On May 5, 1862, Charles H. Powers examined the bank. This year the published reports of this and other banks were much more detailed than ever before, all arranged in separate lines, with no added remarks or narrative. Clearly, the Banking Commission was endeavoring to standardize the reports so that they could be compared with each other. In the past, each examiner had his own way of doing things.

On this visit cashier George C. Williams advised him that since the bank’s founding \$84,000 face value in bills had been printed, of which \$39,410 had been redeemed and destroyed. Presently on hand in the bank were bills totaling \$16,062, and \$28,528 worth was in circulation. Seth Savage had been added to the other four men on the board of directors.

The next examination of the White Mountain Bank was made on March 24, 1863, again by Powers. The board of directors had been expanded by two names since his last visit, and now the roster comprised Thomas Green, and Joseph Howe in addition to the former directors, Jared W. Williams, Barton G. Towne, James W. Weeks, William Burns, and Seth Savage.

Cashier Williams advised that \$98,000 in bills had been printed thus far in the bank’s history, representing a \$14,000 increase since the last audit. The amount of bills now in circulation stood at \$47,793, or nearly twice the amount described in the last examination. It was perfectly legal to order bills from the American Bank Note Co. (in this instance) and pay them out into circulation, instantly realizing a free “loan” to the bank of the incremental amount.

Excluding \$5,000 invested in government securities, loans due the bank totaled \$67,610.31, of which \$37,500, or 55%, ranged from overdue to downright uncollectible. By any standard of good banking practice, affairs at the White Mountain Bank of

Lancaster were rapidly going from bad to worse. And yet there still was no direct action the Banking Commission could take, such as to demand that questionable loans be written off, and in the absence of a space for remarks or narrative in the printed form, there was not even a whisper made that anything was amiss!

In the meantime, cashier George C. Williams had a side business of his own, issuing scrip notes of values less than \$1, each redeemable in "current bank bills," but with no mention of the White Mountain Bank, nor is there any record that the bank was involved. Similar to bank-issued bills, each of Williams' little scrip bills represented 100% profit if it was not redeemed.

The Passing of Gov. Williams

Charles H. Powers was next at the bank on April 28, 1864, by which time the figures shown to him indicated that of \$69,280.30 in loans (not including investments in government securities), only about \$30,000 was now a problem. Again, in the absence of notes or narrative, the reader of the report was not able to ascertain whether a real improvement had been made.

No doubt with the board of directors consisting of respected men, citizens of Lancaster believed that their bank was healthy and strong. Indeed, within the past year dividends totaling 7½% had been paid. Even after the dividends were paid over \$4,000 in profits remained in the surplus account. Times were good!

On September 29, 1864, president Jared W. Williams died, no doubt secure in the knowledge that "his" bank had been a great success. As a former governor of the state and as one of the district's leading citizens he was widely mourned.



William Burns, local attorney who had been crippled by a railroad accident in 1854, but who remained prominent although reduced in activity in his legal practice, was named as the new president of the White Mountain Bank in 1864 after the death of Jared W. Williams. (*History of Coos County, 1888*)

William Burns, a long-time board member, was elected as the new president, and business affairs remained in good hands with George C. Williams. Paper money continued to be issued, now with Burns' signature on the lower right side.

Then....

Surprise!

What to do when a popular local resident, distinguished Civil War veteran, and son of the president of a bank (and past governor of the state) is caught red-handed in the theft of tens of thousands of dollars from the bank and its shareholders? This must have been a perplexing problem for A.N. Somers, author of the *History of Lancaster*, published in 1899. The unique situation provides a background to the bank and certain of its activities. Here is what Somers said of the bank: ³

The White Mountain Bank

In 1852 another bank was chartered under the name of “The White Mountain Bank,” with a capital of 50,000. Its first president was J. B. Sumner; G.C. Williams, cashier; directors, J. B. Sumner, Dalton; Barton G. Towne, Hezekiah B. Parsons, Jr., Colebrook; Moses Woodward, Jefferson; James W. Weeks, E. C. Spaulding, Lancaster; and Oliver B. Howe, Shelburne.

This was a bank of issue, and did a good business for many years. Gov. J.W. Williams became president in 1858, and continued in that office until his death in 1864. William Burns succeeded Governor Williams, and Jared I. Williams was chosen cashier. In the redemption of notes, it was found that a former cashier had made an over issue of some \$53,000 in notes, and had also sunk \$40,000 more of the funds of the bank.

William Burns, J.I. Williams, James W. Weeks, and Barton G. Towne settled up the affairs of the bank in a creditable manner, though some of its stockholders lost very heavily, especially the Governor Williams estate.

The reader of the preceding learns that Jared I Williams (a son of Governor Williams) became cashier in 1864 and that “a former cashier,” whose name is not shared with readers, had made an “over issue” of \$53,000 in notes, and also had “sunk” a further \$40,000 of the bank’s money. In New Hampshire in 1864, this immense defalcation ranked as one of the greatest frauds ever perpetrated within the borders of the state. However, the historian chose to give no more details. Obviously, to readers who had perused the book up to this page, the Williams family was not at all involved.

A little further in the same town history the reader learns of another son of Governor Williams, who seems to have been the cashier when certain problems occurred, although he had not been mentioned in this context under the history of the bank!: ⁴

George C. Williams

George Canning Williams was the oldest son of Gov. J.W. Williams, born in Lancaster, Aug. 7, 1827. He prepared for college at Lancaster Academy, and graduated from Dartmouth in 1844. He studied law with his father, and was admitted to the bar in 1848.

He was a young man of brilliant powers and a good education. He was county solicitor for a number of years, and clerk of the New Hampshire State Senate. He also represented his town in the Legislature in 1859 and 1860. In 1858 he was appointed commissioner of state lands.

³ A.N. Somers, *History of Lancaster, New Hampshire*, 1899, p. 393.

⁴ A.N. Somers, *History of Lancaster, New Hampshire*, 1899, p. 471.

He became cashier of the White Mountain Bank, and through speculation in Western lands, and over-issue of circulation, the bank became involved and went into liquidation.

He had a large docket, but he came engaged in many other interests, to the detriment of his practice, and was unfortunate in his personal habits, dying in 1865.

He held many positions of trust and honor, was an active trustee of Lancaster Academy, and took an interest in education. He was grand master of the Independent Order of Odd Fellows in New Hampshire, and also a prominent Free Mason. He never married.

The reader of the history now learns that, *somehow*, possibly (but not clearly stated as such) while George C. Williams was cashier, “through speculation in Western lands, and over-issue of circulation, the bank became involved and went into liquidation.” Perhaps the president of the bank did the speculating, perhaps it was the board of directors? The historian did not choose to be specific, such as by inserting “his” to make it read, “and through *his* speculation and *his* over-issue.”

However, the really dedicated reader of Somers’ account might recall that in an earlier chapter of the same book, “a former cashier,” whose name is not shared with readers, had made an “over issue of \$53,000 in notes, and also had “sunk” a further \$40,000 of the bank’s money. Was this “former cashier” George C. Williams, or was there someone else on the scene?

Details of the Theft

A persistent student of Lancaster history seeking specific answers might delve into the obscure *Annual Report of the Bank Commissioners of the State of New-Hampshire*, and, if successful in locating a copy, learn this from a narrative bearing the date of June 29, 1865:⁵

Upon an examination of this Bank, on the 17th of February, 1865, by the commissioners, it appeared that the assets exhibited as belonging to the bank, were \$20,500.42 less than the liabilities, which deficit the cashier failed to explain in a satisfactory manner.

The result of this examination was communicated to the president and Directors, whereupon Jared I. Williams was appointed cashier in place of George C. Williams, and an examination made, which led to the discovery of a large over-issue of bills. This was not apparent from the account of the cashier, of bills destroyed or those printed and received from the engraver.

The amount of bills admitted by him to have been received was \$108,000, when the true amount was \$159,000, as shown by the certificate furnished the president and a subsequent examination by the commissioners, making \$51,000 more than he had charged himself with.

Aha! Now the dedicated researcher knows that, indeed, it was George C. Williams, the same individual later described by the town historian as having “held many positions of trust and honor, was an active trustee of Lancaster Academy, and took an interest in education. He was grand master of the Independent Order of Odd Fellows in New Hampshire, and also a prominent Free Mason,” was in fact a lowly thief who not only defrauded his own father, but outside stockholders as well, although the latter were few. Further, in the matter of issuing currency, he deceived his fellow directors.⁶

⁵ Report of examination held June 26, 1865 (text completed by the commissioner on June 29, 1865), including findings from February 11, 1865.

⁶ Such situations emphasize the need to use multiple sources when studying the early history of New

The commissioners in their June 29, 1865, report went on to say:

The capital stock at this time, is all owned by the estate of Jared W. Williams, lately deceased, and George C. Williams, late cashier, excepting about 30 shares. \$3,000.

Soon after the decease of Jared W. Williams, who was president of the bank at the time of his death, in November, 1864, an agreement was made whereby George C. Williams was to take all the stock, and pay the other stockholders the par value of their shares.

This agreement was entered into by the directors and other stockholders, after learning, by investigation, that the means and effects of the bank were so intermixed with those of the cashier and the estate of his father, as to render a division impossible. At that time (November 1864) the stock was all owned by the Williams estate and George C. Williams, except about 150 shares (\$15,000).

But it appeared that, instead of paying for this stock from his private funds, he used the funds of the bank, and took transfers of the scrip to himself, or in blank, thereby reducing the means of the bank, which may account, in part, for the deficit at the time of the examination in February 1865.

Whenever previous to that time, the directors or the commissioners made an examination, Mr. Williams always exhibited sufficient assets to cover all the liabilities to the public, and redeem the stock. It now seems questionable whether the assets exhibited belonged this father, J.W. Williams, to himself, or to other parties. The directors acted upon the understanding that the circulation was as represented by the cashier, in the statement of the bills received from the engraver, and the certified account of those destroyed, and might well have anticipated no trouble in its redemption, when, May 15, 1865, it was reduced to about \$30,000.

On making this examination, we find that \$3,770.20 in specie, and the \$18,250 in government securities, in the bank February 17, last, have disappeared, as well as considerable short time-paper; also, that there is a possible circulation of \$72,397, though we are inclined to believe that a part of the illegal issue has been retired and destroyed without any record. Time only will show the correctness or incorrectness of this belief.

Of the \$58,092.19 called loans, in the above statement, many notes are long overdue, and many are undoubtedly worthless. Others are payable to George C. Williams without reference to the bank. About \$26,000 of it is made up of notes and accounts due from D.H. & J. B. Sumner & Co., and James B. Sumner, some of which bear evidences of age; and may be barred by the statute of limitations. Some of the notes of the bank are already in the hands of attorneys for collection.

Suits have been commenced against George C. Williams, and his real estate, valued by estimation at \$25,000, and his personal property, valued at \$2,000, have been attached as security for any judgments that may be obtained against him for losses on account of his malfeasance. His bond of \$20,000, with sureties, is deemed good for that sum.

In view of this state of affairs, the Commissioners, under the provisions of Chapter 148 of the Compiled Statutes, petitioned the Supreme Judicial Court to enjoin the bank from issuing bills or transacting any further business, and to appoint an Assignee to take possession of the property and effects of the bank, which injunction has been issued by the court, and James W. Weeks, of Lancaster, appointed assignee.

The court, also, upon the petition of the Commissioners, have granted an injunction restraining all the creditors of the bank from commencing or prosecuting any suits against the bank, to the end that a Commissioner shall be appointed, to whom all the claims against the bank may be presented for allowance.

Concord, June 29, 1865.

In its issue of September 1865, *Bankers' Magazine* commented that the bank had been placed in receivership, but gave no reason why, but did observe laconically: "The

cashier's salary was only \$500, a sum which will scarcely compensate a third-class clerk in a country store."⁷

Farr Rewrites History

The memory of the theft began to be softened soon thereafter, when John Farr, of Littleton, a close friend of the Williams family, was appointed assignee. Perhaps realizing that the damage had been done, and also that in the meantime George C. Williams had died, Farr suggested, in contravention of the facts, and overlooking that bank records and been falsified and directors deceived, that, somehow, the cashier had been the victim of a "confused and complicated" system! The cleansing of the Williams image had begun, an incredible scenario:⁸

In 1866 the Bank Commissioners later attached this addendum to their 1865 *Annual Report*:

The foregoing report was made June 29, 1865, since which time we have been informed that the court subsequently appointed John Farr, of Littleton, assignee, in place of Mr. Weeks, and Wm. H. Cummings, Esq., commissioner:

We have made no examination of the affairs of the bank since the service of the injunction. In answer to inquiries, by letter of the Assignee, we have received two communications, under date of April 30 and May 3, 1866, such portions of which as give information of the transactions relative to liquidating the affairs of the bank since the injunction, we subjoin, as follows [the Farr report]

Assignee John Farr's 1866 report:

I do not think there was any intention on the part of the cashier, George C. Williams, defraud the public: but from the want of any system in his business or in keeping his accounts, and other causes, the affairs of the bank were thus confused and complicated; yet, had Gov. [Jared W.] Williams lived, it would have been closed up without any sacrifice to bill-holders.

In my report to the Court, March 22, 1866, I say,

"The report of William H. Cummings, Esq., Commissioner, I return herewith, which shows that he has allowed bills of the bank, \$39,033, interest to Feb. 1, 1866, \$1,182.99, making \$40,615.99; other claims, \$3,591.91,—in all, 844,207.90."

And I then state that "I have collected in all, up to this date, as per schedule herewith, the sum of \$17,657.28;" and that "I herewith furnish a schedule of claims in favor of the bank, its safe and personal property, amounting to \$18,466.12, from which as much as \$15,000 will be realized," a considerable portion before the July term of the courts, when a hearing is to be had on the commissioner's report, who was limited by the court to the first day of February next; and all claims not presented before that time were to be forever barred from any dividends from the assets of the bank; and a dividend, I presume, will then be made of from fifty to sixty per cent to the depositors of bills, and think, ultimately, I shall be enabled to realize, from George C. Williams' estate, enough to make up the deficiency-which exists after using up the assets of the bank; but of that there is some doubt.

In regard to George C. Williams' bond as Cashier, all I can say is, that in the directors' book, there is a

⁷ Banker's Magazine, September 1865, p. 258. The October issue, p. 344, gave details and implicated cashier Williams.

⁸ Several years later, in 1871, John Farr, a highly accomplished attorney, would become the founding president of the Littleton National Bank, under which heading there are details of his life.

record immediately after the appointment of cashier, that George C. Williams gave a bond to the satisfaction of the Directors, without stating its amount or who signed it, or giving any further account of it. Barton G. Towne and James W Weeks admit that they signed the bond; also that it was signed by Gov. Williams, and that it was understood that James B. Sumner, who was president for the first few years, would also sign it, but do not know whether he did or not, and supposed that Sumner had the bond.

Mr. Sumner is confident that he never signed the bond, or had the custody of it. No other bond was ever given, as the directors say; and, although I have used all the means in my power, have not been able to get the remotest clue to its whereabouts, or its contents after it was signed by Towne and Weeks, who are responsible men; and, without proof of its amount or conditions, and whether a continuing bond, or only until he was re-appointed,—as he was several times,—should not have much hope of making anyone chargeable thereon, and therefore have not instituted any suit upon it.

Jared I. Williams, through Moses Kittredge, purchased the claim of the Suffolk Bank, and it was not presented to the Commissioner for allowance.

John Farr,

Assignee of the White Mountain Bank.

Without specifically stating so, Farr described yet another fraud perpetrated by George C. Williams: falsely telling the State Bank Commission for years that he was under bond.

A further report from Assignee John Farr was sent to the New Hampshire Bank Commission from Littleton on May 4, 1867.⁹ He noted that as of May 3, 1866, from White Mountain Bank's assets Farr had realized \$24,213.48, from which \$2,302.92 had been consumed by expenses, etc., leaving \$21,687.15 to be paid to those with claims against the bank. Later, about \$4,000 additional was realized from other assets. A claim had been made against the estate of George C. Williams for "misappropriation of funds," and the court had allowed the sum of \$46,500 to be charged. Outstanding bills (currency notes) amounting to \$21,072 were to be redeemed by the Williams estate, chargeable against the \$46,500 claim. Another \$39,433 in bills had been redeemed, seemingly at some substantial discount from par. The whole amount of \$60,505 in bills had been redeemed and "have been burnt and destroyed by order of the Court, which demonstrates that most if not all of the apprehended overissue was in circulation."

However, quite a few notes escaped the burning and destruction process, to the delight of later numismatists!

The affairs of the bank were finally wound down by January 1, 1875, by which time John Farr had repaid shareholders nearly the full par value, the money coming from the Governor Jared W. Williams estate.

A Lost Life in Lancaster

Should anyone want to write a tragedy, *A Lost Life in Lancaster*, a sketch published years later in 1894 might furnish an outline:¹⁰

⁹ Published in Annual Report of the Bank Commissioners, June Session, 1867, p. 27.

¹⁰ Charles H. Bell, *The Bench and Bar of New Hampshire*, 1894, p. 750. Adapted.

George C. Williams, son of Hon. Jared W. Williams, was the youngest of his class in Dartmouth College, and as a scholar among the best third of it, Mr. Williams had everything in his favor for success in the world.

He studied law in his father's office, and commenced practice in Lancaster. He was thoroughly qualified for his vocation, and served some years as solicitor of the county; was well started in political life as clerk of the state Senate, as representative from Lancaster in 1859 and 1860, and as commissioner of state lands in 1858.

He was a trustee of Lancaster Academy, Grand Master of the Odd Fellows of the state, and a prominent Freemason; was popular, and apparently had the ball at his feet. But the very qualities which gave him his popularity led him into temptation, and he yielded to convivial habits which but too surely in later life degenerated into intemperance.

In August 1914, when the town observed its 150th anniversary, Judge Albert R. Savage was among several dignitaries who addressed the assembled celebrants. He reminisced about Lancaster as he remembered it from 50 years earlier, as it appeared in the year 1864:¹¹

On Middle Street, near the bridge, was the White Mountain Bank, the only banking institution in Lancaster at that time. Not long after, its doors were closed and its affairs liquidated, as perhaps some who are here today may remember unpleasantly.

¹¹ David M. White, *The One Hundred & Fiftieth Anniversary of Lancaster, New Hampshire 1764-1914*, p. 98.