

GENERAL TELEGRAPH NEWS

EMBARRASSED BY A RAILROAD.

SUSPENSION OF THE VERMONT NATIONAL BANK OF ST. ALBANS.

ST. ALBANS, Vt., Aug. 6.—The Vermont National Bank of St. Albans, of which the Hon. Bradley Barlow is President, closed its doors this morning, causing great consternation among its depositors. Mr. Barlow is also President and owner of the South-eastern Railway of Canada. It is understood that he has failed and that all his property is involved, besides a considerable amount of money loaned by banks and individuals to assist him in his railroad management. Mr. Barlow says he has assigned all his property to the bank for the benefit of the depositors, and that his failure is due to the unsuccessful result of his attempt to sell the South-eastern Railway to the Canadian Pacific Railroad Company. He expected up to a few days ago to accomplish the sale, but failing in this he was compelled to suspend. The bank has discounted about \$325,000 for the South-eastern Road, and a loan was made on the bonds of the Boston, Montreal and Portland Railroad. Failing to raise the money on the bonds, it was deemed best to close the bank. The deposits of the bank are about \$320,000, and Mr. Barlow thinks that the depositors will be paid in full. The officers of the bank state that its affairs are in proper shape, and the Bank Examiner has been informed of its situation. Mr. Barlow has expended a large amount of money in placing the South-eastern Railroad in a state of efficiency. He has held a large amount of the bonds of the road, not attempting to put them upon the market. The road has been an active borrower. In order to carry on improvements, the earnings barely covering current expenses. Its line extends from Montreal to Newport, Vt., a distance of a little over 100 miles, and has branches to various points in the provinces, which make up a total of 300 miles of road in operation. The suspension of the bank was totally unexpected, and is likely to have a serious effect upon numbers who have been indorsers upon Mr. Barlow's paper, but the real condition of affairs in this respect is not yet fully known. It is understood that Mr. Barlow had invested about \$1,000,000 in the South-eastern Railroad.

The St. Albans Trust Company has also suspended, its President, Lawrence Brainerd, who was a heavy indorser on Barlow's paper, having made an assignment for the benefit of the trust company. Brainerd's property, which has been assigned, is valued at \$500,000.

Mr. Barlow states that he had made no provision for his family, and that he and they are left absolutely penniless. The floating liabilities of the South-eastern Railway are now stated to be \$500,000. There is really no fear that the suspension of the St. Albans Trust Company will prove permanent. President Brainerd's property, which he has assigned, consists of a lumbering business in Northern New-York, which is conducted at a large profit, and real estate of great value. Unless he is unduly pressed by the creditors of Barlow on his indorsements there is no reason to doubt but that his resources will be sufficient to meet all his liabilities to the trust company and also all his liabilities as indorser for Barlow. Many persons in town are affected by the failure, and it is the all-engrossing topic on the streets. Bank Examiner Hendee is now here, and will examine the books and assets to-morrow. Public confidence is badly shaken by the Barlow failure, but so far as the trust company is concerned there seems no reason for the depositors to be alarmed. President Brainerd says that Barlow did not owe the company itself a dollar, and that the closing of the business was a precautionary measure to prevent a run on the company's funds. The First National Bank is in no way affected, nor is the Central Vermont Railroad mixed up in any way with the failure. A run on the First National Bank was feared this morning, but the danger of this is evidently passed. The failure has undoubtedly been the worst blow St. Albans has ever experienced.