

---

---

BY THE HOUSE OF DELEGATES,

January 30, 1845.

Read and ordered to be printed.

---

---

## CORRESPONDENCE

BETWEEN THE

Treasurer of the Western Shore of Maryland

AND THE

## THIRD AUDITOR

OF THE

UNITED STATES TREASURY,

ON THE SUBJECT OF THE CLAIM OF THE STATE OF MARYLAND  
UPON THE UNITED STATES, FOR INTEREST DUE UPON SUMS  
ADVANCED BY THE STATE DURING THE LATE WAR.

---

---

ANNAPOLIS:  
RILEY & DAVIS, PRINTERS.

.....  
1845.

81788

BY THE HOUSE OF DELEGATES

January 30, 1845

Read and ordered to be printed

# CORRESPONDENCE

BETWEEN THE

Treasurer of the Western Shore of Maryland

AND THE

# THIRD AUDITOR

OF THE

UNITED STATES TREASURY

ON THE SUBJECT OF THE CLAIM OF THE STATE OF MARYLAND  
UPON THE UNITED STATES FOR INTEREST DUE UPON BILLS  
ISSUED BY THE STATE DURING THE LATE WAR

AT WASHINGTON

WILEY & DAVIS, PRINTERS

1845

CORRESPONDENCE, &c.

Statements of the Treasurer of the Western Shore, and Correspondence between him and the Third Auditor of the Treasury Department of the United States, on the claim of the State of Maryland, upon the United States, for interest.

NO. 1.

*Copy of a Letter from the Treasurer of the Western Shore of Maryland, to the Third Auditor of the United States Treasury, dated 6th June, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 6th June, 1826. }

SIR,—I have heard the claim of the State of Maryland, to the amount of \$114,000, for interest on disbursements, occasioned by the late war, was allowed by Congress before the close of its late session.

I am anxious to learn if it be true, and if yes, to be particularly instructed how to proceed, so as to bring the money into this department with as little delay as possible. Will you have the goodness to inform me, and to command my services here in return whenever you may have occasion for them?

I am very respectfully, sir,

Your most obedient,

GEORGE MACKUBIN,

Treasurer of the Western Shore of Maryland.

To PETER HAGNER, ESQ.

Third Auditor U. S. Treasury,

City of Washington.

## NO. 2.

*Letter of the Third Auditor of the United States Treasury, to the Treasurer of the Western Shore, dated 9th June, 1826, and the Copy referred to, of his Letter to the Governor.*

TREASURY DEPARTMENT, }  
Third Auditor's Office, 9th June, 1826. }

SIR,—I have this morning received your letter of the 6th instant, on the subject of the claim of the State of Maryland for interest. Governor Kent lately addressed me in relation thereto, and herewith you will receive a copy of my reply, which affords the information you have desired.

Respectfully, your most obedient servant,  
PETER HAGNER, Auditor.

GEORGE MACKUBIN, Esq.,  
Treasurer of the W. Shore,  
Annapolis, Md.

## NO. 3.

[COPY.]

TREASURY DEPARTMENT, }  
Third Auditor's Office, 31st May, 1826. }

SIR,—I had the honor on the 29th instant, to receive your Excellency's letter of the 27th, relative to the law of the last session, authorising payment of interest due to the State of Maryland, and this morning the communication you mention having addressed to the Secretary of the Treasury on the subject, has been referred to me, from the War Department, with a copy of the act above alluded to. Before any thing can be done by me in this case, it will be necessary that the proper officer of the State should furnish me with a statement of its claim for interest under the provisions of the law, and with the vouchers or certified copies of them, for the payments it made for such interest. When these shall have come to hand, your Excellency may rely on their receiving the most prompt attention.

With great respect,

Your most obedient servant,

(Signed,) PETER HAGNER, Auditor.

His Excellency GOVERNOR KENT,  
Rose Mount, Maryland.

## NO. 4.

*Copy of a letter from the Treasurer of the Western Shore of Maryland to the Third Auditor of the United States Treasury, dated 16th June, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 16th June, 1826. }

SIR,—I thank you for your letter of the 9th, in answer to mine of the 6th.

Your reply to his Excellency the Governor, on the subject, had been handed to me in the interval—with a request that I would prepare the required statement, and procure such vouchers as you thought necessary.

I have accordingly stated the claim upon principles which appear to me to be just in themselves, and to consist with the provisions of the act of Congress, authorising its payment, and make due to Maryland \$163,361  $\frac{3}{10}$ , with further interest on \$127,335  $\frac{7}{10}$  from the 15th inst. until paid.

The only principle assumed in the statement, to which I can imagine exception may be taken, is that which postpones any diminution of the capital, on which the act allows interest to be computed, until the sums refunded exceed in amount, the interest accrued to the time they were paid—and then to diminish it, only to the extent of such excess.

With the courts of justice in this State, whether of law or equity, it is a settled principle—its justice, would in any circumstances, seem to be unquestionable—but especially in this case, where it is seen that the State paid the interest claimed, by semi-annual disbursements, until 24th February, 1817, and quarterly, in effect, from that time, by then paying the principal in its 6 per cent. stock of the United States.

It does not appear to me to impugn the 3d rule of the 2d section of the act referred to—since a just interpretation of the rule could never treat the principal debt or any part of it, as discharged, by a payment not exceeding in amount, the interest undeniably accrued at the time of such payment.

To shew that the State has paid the interest claimed, viz :

|  |               |                            |
|--|---------------|----------------------------|
| To George and John Barber, on                    | - - - \$7,000 | } from 19th<br>June, 1813. |
| To the Farmers' Bank of Maryland, on             | 100,000       |                            |
| Bank of Maryland, on                             | - - - 20,000  | } from 21st<br>June, 1813. |
| Bank of Baltimore, on                            | - - - 30,000  |                            |
| Farmers' and Mechanics' Bank of<br>Baltimore, on | - - - 30,000  |                            |
| Marine Bank of Baltimore, on                     | 10,000        |                            |
| Union Bank of Maryland, on                       | - - - 25,000  |                            |
| Commercial and Farmers' Bank of<br>Baltimore, on | - - - 20,000  | } from 18th<br>July, 1813. |
| To Frederick Grammer, on                         | - - - 4,000   |                            |

|                                     |        |             |
|-------------------------------------|--------|-------------|
| The Farmers' and Merchants' Bank of |        | } from 10th |
| Baltimore, on                       | 20,000 |             |
| And to the Bank of Baltimore, on    | 20,000 | } from 1st  |
|                                     |        |             |
| <hr/>                               |        |             |
| \$286,000                           |        |             |

I have with much labour procured from the long and dusty voucher-files of the office, the first and second acknowledgments of the individuals and institutions named, and then their final receipts of the 24th February, 1817, for stock to amount of the said sums, and of further subsequent loans.

These I trust, sir, you will consider satisfactory—and also, that the vouchers for intermediate payments of interest, may be dispensed with, upon this, my official assurance, that they appear by the records of this department, to have been regularly made—If not, however, be pleased to inform me, that they may be furnished with as little delay as possible.

The great purpose of public instruction, which the legislature has destined this fund to subserve, and the strong interest in its accomplishment, felt by the general assembly and the citizens of the State, will, I am sure, excuse me with you, for earnestly soliciting your early attention to the claim—that you will afford every possible facility to its adjustment—and, should you find it necessary, from any cause, to postpone it, that you will cause so much of it as you may at once find clear of all difficulty, to be paid immediately.

I am very respectfully, sir,  
 Your obedient servant,  
 GEO. MACKUBIN,  
 Treasurer W. S. Md.

To PETER HAGNER, Esq.  
 Third Auditor U. S. Treasury,  
 City of Washington.

*[Faint, illegible text, likely bleed-through from the reverse side of the page.]*

## NO. 5.

*Copy of the Statement referred to in the letter of the 16th June, 1826, from the Treasurer of the Western Shore, to the 3d Auditor of the United States Treasury.*

| Dr. the United States,<br>In account for Interest, per act of 19th<br>Congress, 1st Session, with the State of<br>Maryland.   | Interest.          |
|---|--------------------|
| 1826.   |                    |
| June 15. For interest on \$280,153 $\frac{5}{100}$ (being so<br>much of the money expended by Mary-<br>land, for the use and benefit of the<br>United States, as the said States have<br>refunded,) viz:  |                    |
| On \$107,000, part thereof, from 19th<br>June, 1813, to 1st October, 1818—5<br>years, 3 months, 12 days, - - -  | 33,919 00          |
| On \$135,000 other part thereof, from 21st<br>June 1813, to 1st October 1818—5<br>years, 3 months, 10 days, - - -   | 42,750 00          |
| On \$4000 other part thereof, from 18th<br>July 1813, to 1st October, 1818—5<br>years, 2 months, 13 days, - - -   | 1,248 67           |
| On \$20,000 other part thereof, from 10th<br>October 1813, to 1st October 1818—4<br>years 11 months, 21 days, - - -   | 5,970 00           |
| And on \$14,153.54 residue thereof, from<br>1st December 1813, to 1st October 1818<br>—4 years, 10 months, - - -  | 4,104 53           |
|   | <u>\$87,992 20</u> |
| On \$280,153 $\frac{5}{100}$ from 1st October 1818,<br>to 28th December 1819—1 year, 2<br>months, 27 days, - - -  | 20,871 44          |
| On \$209,017 $\frac{1}{100}$ (it being the difference<br>between \$389,017 $\frac{1}{100}$ amount of prin-<br>cipal and interest, so computed to the<br>28th December 1819, and \$180,000,<br>the amount of payments to that day on<br>account, to wit: |                    |
| 1818, October 1, \$40,000   |                    |
| 1819, January 30, 40,000  |                    |
| “ December 28, 100,000)   |                    |
| Carried Forward,  |                    |

|   |              |
|---|--------------|
| Brought Forward,  |              |
| from 28th December 1819, to 11th January 1821—1 year, 14 days, -  | 13,028 74    |
| On \$127,335 $\frac{71}{100}$ (it being the difference between \$222,045 $\frac{22}{100}$ the amount of principal and interest last computed— and the next payment of \$94,710 $\frac{21}{100}$ received 11th January 1821,)                            |              |
| From 11th January 1821, to 15th June 1826—5 years, 5 months, 4 days, -  | 41,469 00    |
|   | \$163,361 38 |
| For further interest on the said \$127,335 $\frac{71}{100}$ (the last payments of \$4,916 $\frac{33}{100}$ received 6th December 1821, and \$527 received 11th July 1822, not exceeding the interest then accrued) from the 15th June 1826, until paid. |              |

GEORGE MACKUBIN, Tr. W. S. Md.



## NO. 6.

*Copy of a Letter from the Treasurer of the Western Shore, to the Third Auditor of the United States Treasury, dated 23d June, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 23d June, 1826. }

SIR,—In the hurry with which at the instance of the executive, the statement sent to you on the 16th, was prepared and transmitted, I find I treated Frederick Grammar's loan, as of 18th July, 1813, instead of 1814.

Be pleased to consider it corrected, as follows, viz:—

Dr. *The United States, in account for interest (per act of the 19th Congress, 1st session,) with the State of Maryland.*

|                                     |  |            |              |
|-------------------------------------|--|------------|--------------|
| 1826. } For interest as per account |  |            |              |
| June 15. } rendered, - - -          |  | 163,361 38 |              |
|                                     | By error, in treating Frederick Grammar's loan, as of 18th July, 1813, instead of 1814; that is to say, by interest on 4000 dollars, from the 18th July, to 1st Dec., 1813—4 months 13 days, | \$88 67    |              |
|                                     | By interest on \$88 67 from 28th December, 1819 to 11th January 1821—I year and 14 days, - - -   | 5 53       |              |
|                                     | And on \$94 20 from 11th January 1821 to 15th June 1826—5 years, 5 months and 4 days, - - -  | 30 68      |              |
|                                     |  |            | 124 88       |
|                                     | Balance due,   |            | \$163,236 50 |

With interest on \$127,210.83, from the 15th June, 1826 until paid.

I was mistaken also in supposing the last receipts of the banks and others, were for the stock transferred. They are for the last payments of interest by disbursements from the treasury, to wit— to 1st January, 1817—from which time the stock bore interest.

On the transfer of the stock, the securities issued by the Treasurer for the money borrowed, were returned and cancelled. As a substitute for their receipts for the stock, I send you the certificate of H. H. Harwood, Esq., who was at the time, the late Treasurer's assistant, and now as then, the President of the Farmers' Bank of Maryland, of which the largest sum was borrowed.

I am, very respectfully, sir,

Your obedient servant,

GEORGE MACKUBIN, Treasurer

Of the Western Shore, Maryland.

To Peter Hagner, Esq,

Third Auditor of the United States Treasury,

City of Washington.

No. 7.

*Letter of the Third Auditor of the United States Treasury, dated 28th June, 1826, to the Treasurer of the Western Shore of Maryland.*

TREASURY DEPARTMENT,

Third Auditor's Office, June 28th, 1826. }

SIR—You will receive from the Treasurer of the United States, thirty thousand dollars, being the amount of requisition No. 4591, issued by the Secretary of War, on account of the claim of the State of Maryland, for interest on loans of money, borrowed and expended by her, for the use and benefit of the United States, in the late war with Great Britain, for which sum said State is charged and held accountable on the books of this office. You will return your receipt to this office, and one to the Treasurer.

Respectfully,

Your obedient servant,

PETER HAGNER, Auditor.

The Treasurer of the Western Shore  
of Maryland, at Annapolis.

No. 8.

*Copy of a letter from the Treasurer of the Western Shore to the Third Auditor of the United States Treasury, dated 3d July 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 3d July, 1826. }

SIR—I received in the evening of the 30th of June, your letter of the 28th, post-marked the 29th, and at the same time, the draft of the Treasurer of the United States, dated the 29th, covered by his letter of that date, and drawn in my favor, on the Branch of the United States Bank at Baltimore, for \$30,000; which, you inform me, is on account of interest, on money borrowed by the State of Maryland, and expended for the use of the United States, in the late war with Great Britain.

I am very respectfully,

Your obedient servant,

GEO. MACKUBIN,  
Treasurer W. S. Md.

To Peter Hagner, Esq.

Third Auditor U. S. Treasury,  
City of Washington.

No. 9.

*Letter from the Third Auditor of the United States Treasury, of 13th July, 1826, to the Treasurer of the Western Shore of Maryland.*

TREASURY DEPARTMENT, }  
Third Auditor's Office, 13th July, 1826. }

SIR,—Your letter of the 16th and 23d ultimo, with the original and amendatory accounts of the claim of the State of Maryland, under the law authorising the payment of interest due to that State, came safely to hand, and Mr. Culbreth, the agent of the State, subsequently delivered to me the parcel of receipts for interest, and Mr. Harwood's certificate, to which those letters refer.

On the examination of the claim, it was found that the manner of stating it, was not in conformity with the law, nor with the mode adopted under a similar law, in favor of the State of Virginia, and also that further testimony in its support was necessary—the particulars were explained in a statement furnished to Mr. Culbreth. With the view of enabling me to ascertain whether the proceedings of the General Assembly did not afford part of the evidence required, Mr. Culbreth left with me a volume of the legislative documents from 1811 to 1815, but after a careful investigation, I have been unable to gather from thence any information that will admit of my dispensing with the proof asked for.

Not having received from you, since Mr. Culbreth's visit here, any explanatory or other testimony relative to the claim, it has oc-

curred to me that perhaps you are waiting to learn the result of my examination of the Assembly proceedings before alluded to, and this is the motive for my thus addressing you.

With great respect,

Your very obedient servant,

PETER HAGNER, Auditor.

George Mackubin, Esq.,  
Treasurer W. S., Annapolis, Md.

No. 10.

Remarks of the Third Auditor of the United States Treasury, on the claim of the State of Maryland for interest, referred to in his letter of 13th July, and in the Treasurer's answer of 29th July, 1826.

*Remarks on the Claim of the State of Maryland, under the law authorising the payment of interest due thereto.*

The act directs the accounting officers of the Treasury, "to liquidate and settle the claim of the State of Maryland against the United States, for interest upon loans or moneys borrowed and actually expended by her for the use and benefit of the United States, during the late war with Great Britain;" and it also directs that in ascertaining the amount of interest, as aforesaid due to the State, the following rules shall be understood as applicable to, and governing the case, to wit:

1st. That interest shall not be computed on any sum which Maryland has not expended for the use and benefit of the United States, as evidenced by the amount refunded or repaid to Maryland by the United States.

2d. That no interest shall be paid on any sum on which she has not paid interest.

3d. That when the principal or any part of it has been paid or refunded by the United States, or money placed in the hands of Maryland for that purpose, the interest on the sum or sums so paid or refunded, shall cease, and not be considered as chargeable to the United States any longer, than up to the time of the repayment as aforesaid.

On the 29th May, 1813, the Legislature of the State passed a resolution, authorising the Treasurer of the Western Shore to negotiate a loan on such terms and at such periods as the Governor and Council should approve, not exceeding \$450,000. With regard to the purposes for which the loan was to be raised, the resolution is silent. Pursuant thereto, sums are shown to have been borrowed as follows, viz:

|                               |           |
|-------------------------------|-----------|
| On the 19th June, 1813,       | \$107,000 |
| On the 21st June, 1813,       | 135,000   |
| On the 10th of October, 1813, | 20,000    |
| On the 1st December, 1813,    | 20,000    |
| On the 1st January, 1814,     | 25,000    |

|                                     |           |
|-------------------------------------|-----------|
| On the 18th July, 1814, . . . . .   | 4,000     |
| On the 27th July, 1814, . . . . .   | 95,000    |
| On the 15th August, 1814, . . . . . | 30,000    |
|                                     | <hr/>     |
|                                     | \$436,000 |

The sum expended by the State for the use and benefit of the United States, as evidenced by the amount refunded or repaid to Maryland, by the United States, is \$279,626 54, and the repayment thereof by the United States, was made thus—

|                              |              |
|------------------------------|--------------|
| In October, 1818, . . . . .  | \$40,000     |
| In January, 1819, . . . . .  | 40,000       |
| In December, 1819, . . . . . | 100,000      |
| In January, 1821, . . . . .  | 94,710 21    |
| In December, 1821, . . . . . | 4,916 33     |
|                              | <hr/>        |
|                              | \$279,626 54 |

The expenditures so reimbursed by the United States, were made by the State, as appears by its accounts, during the years, and nearly in the proportions hereinafter expressed, viz:

|                            |              |
|----------------------------|--------------|
| In 1812, . . . . .         | 1,000        |
| In 1813, . . . . .         | 126,000      |
| In 1814, . . . . .         | 70,000       |
| In 1815, . . . . .         | 72,000       |
| In 1816 to 1819, . . . . . | 10,626 54    |
|                            | <hr/>        |
| Total amount, . . . . .    | \$279,626 54 |

The resolution authorising the loan of \$450,000, it will be seen, vested a discretionary power in the Governor and Council, as to the *periods* at which it was to be negotiated. If it was exclusively for "the use and benefit of the United States," the negotiation of it, would, it is presumable, have been regulated by a demand for the money for United States objects. This, in a great degree, it would seem, could not have existed, either at the time of passing the resolution, or in June, 1813, when a portion of the loan amounting to \$242,000 was negotiated. At this latter period, the State does not appear by its accounts to have expended so much as \$5,000 of the \$279,626 54, so as aforesaid repaid by the United States; and the portion thereof which the State had expended at the end of the year 1813, did not, as is before shown, amount to more than about \$127,000; and yet in the interval between then and June, 1813, the portion of the loan negotiated, had been increased to more than the whole \$279,626 54; and on the first January, 1814, it was still further increased \$25,000; and afterwards, in that year, \$129,000 more. Hence it will be necessary, before the claim can be settled, for the State to adduce testimony, wherefrom it can be determined which of the sums, borrowed un-

der the resolution, were so borrowed for the use and benefit of the United States.

In the statement of the claim exhibited by the State, interest is charged on the following sums, from the dates placed opposite thereto, up to the 28th December, 1819, viz:

|               |                  |
|---------------|------------------|
| 107,000       | 19th June, 1813. |
| 135,000       | 21st June, “     |
| 4,000         | 18th July, “     |
| 20,000        | 10th Oct. “      |
| 14,153 54     | 1st Dec. “       |
| <hr/>         |                  |
| *\$280,153 54 |                  |

The interest so charged, amounts to 108,863 64

Sums amounting to \$80,000, having been repaid to the State, by the United States in October, 1818, and January, 1819, and a further sum of \$100,000 having been so repaid on the 28th December, 1819, interest is next charged in the statement of the claim, upon \$209,017 18, from that day to the eleventh January, 1821, (when a further sum of \$94,710 21, was received by the State from the United States,) amounting to 13,028 74

The sum of \$209,017 18, on which this interest is charged, appears to be produced by adding to the aforesaid \$280,153 54, the \$108,863 64, charged for interest thereon, and then deducting the \$180,000 repaid to the State in 1818 and 1819, as before specified.

Then adding to the aforesaid sum of \$209,017 18, the \$13,028 74, charged for interest on it, and deducting the \$94,710 21, repaid to the State by the United States on the eleventh January, 1821, interest is next charged from that day on the balance of \$127,353 71, up to the 15th June, 1826, amounting to 41,469 00

And further from that day until paid, \$163,361 38

This way of stating the claim is considered to be quite untenable. Were the sums borrowed in 1813, proven to have been all borrowed for the use and benefit of the United States, and not for any State object; no interest on them could be allowed, beyond the period at which it *ceased to be paid by the State*, viz:—the first

\*This includes a sum of \$527, which was not expended during the war, but was repaid to the State in respect of a prior transaction.

The charging interest on the \$4,000 from July, 1813, is erroneous, as is admitted in a supplemental account rectifying the mistake; that sum not having been borrowed until July, 1814.

January, 1817; the second rule prescribed in the law, prohibiting the payment of interest on any sum on which *Maryland has not paid interest*. Had the loans raised by the State not been paid off before the debt due from the United States to the State was discharged, the mode of adding the interest accrued, to the principal, and then charging interest on both, would, it is conceived, have been unsustainable, it conflicting both with the first and second rules laid down in the law. The amount charged for interest, was neither expended for the use and benefit of the United States, as evidenced by a refundment or repayment to Maryland by the U. States, nor was it a sum on which the State paid interest.

Two loans each of \$20,000, appear to have been negotiated with the Farmers' Bank of Maryland; one in April, 1817, and the other in June, 1818, and whereon the State, according to the account of its Treasurer, (forming part of the documents presented to Congress) paid interest up to the second of April, 1822; and the same account also shows, that other sums amounting to \$28,000 were borrowed of sundry banks in March, 1818, and whereon the State paid interest to March, 1820. The interest paid on the \$28,000 is considered to be allowable, and so also is the interest paid on the two \$20,000 loans, up to the eleventh January, 1821, when a remittance was made by the United States, which left due to the State only \$4,916 33, of the aforesaid \$279,626 54. Interest too, is deemed allowable on the \$4,916 33, from the latter date to the sixth of December, 1821, when that sum was paid to the State, by the United States.

A voucher or certified copy thereof, for every sum paid by the State for interest, and which is repayable under the law, will be requisite.

—  
No. 11.

*Copy of the Treasurer's answer of the 29th July, 1826, to the letter from the Third Auditor of the United States Treasury, dated 13th July, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 29th July, 1826. }

SIR,—So soon as I received your letter of the 13th, I obtained from the Council chamber, your remarks on the statement of the State's claim, for interest under the late Act of Congress, and have taken the liberty to reply—but with sentiments, I assure you, of entire respect, and in a spirit of scrupulous courtesy.

Under the influence of an honest and strong conviction, that the statement not only accords with the Act of Congress, but proceeds on principles long established, and fit to be continued; I was not able to suppress the hope it created, of offering to you suggestions, which I ventured to imagine, may, in the hurry of official duties have escaped you, and which might possibly avail to remove your objections, as I ingenuously thought they should. I have, never-

theless, superadded to the reply, all such proof of the fact, of which proof is required, as it is believed the State can furnish.

These will be transmitted to you, so soon as the coming meeting of the Executive shall have given me an opportunity of first submitting them to his Excellency, who is especially charged by the Legislature with causing this claim to be preferred and solicited.

I regret, sir, that I am not informed of the circumstances of the case of Virginia—persuading myself that if I were, I might be able to shew strong points of difference between it and that of Maryland, to account for the different mode adopted in the adjustment of her claim.

With great respect, sir,

I am your obedient servant,

GEO. MACKUBIN,  
Treasurer W. S. Md.

To Peter Hagner, Esq.,  
Third Auditor U. S. Treasury,  
City of Washington.

---

NO. 12.

Copy of the remarks of the Treasurer of the Western Shore, in reply to those of the 3d Auditor of the United States Treasury, on the States' claim for interest.—Referred to in the Treasurer's letter of 29th July, 1826.

*Remarks in reply to those of the 3d Auditor of the United States Treasury, on the claim of the State of Maryland for interest.*

The Third Auditor recites the provisions of the Act of Congress. He admits, it is shewn, that in 1813, the State borrowed *more* than the amount reimbursed by the United States, and on the days of that year, used in the statement of her claim for interest.

He admits too, as does the Act of Congress,—that the amount reimbursed as aforesaid at least, was *expended* by the State for the use of the United States—but a part of it, he objects, was disbursed *before* 1813—other part *in* that year, and the residue *thereafter*; and therefore, that is to say, because the sum admitted to have been expended, is not shewn to have been *all* expended, at the time the amount is shewn to have been borrowed, he requires proof of the identity of the sums borrowed and expended.

He controverts the principle upon which the statement of the State's claim proceeds—so far as

- 1st.—It gives interest to the State after the loans were repaid in her United States 6 per cent. stock—and
- 2d.—It applies the sums returned by the United States, to the payment of interest first; then the excess, (if any) to the payment of the principal, instead of applying them wholly, to the extinguishment of the principal.



In addition to the 1st, 2d, and last vouchers for interest paid, (already furnished with the Treasurer's official assurance that the intermediate payments of interest appear, by the Treasury books, to have been regularly made,) he requires a voucher, or *certified copy* thereof, for every other payment of interest.

Now, the writer in reply, respectfully suggests, that the *Act of Congress* requires nothing more to be proved, that is as aforesaid *admitted* to be shewn. It requires proof merely, than the State obtained, on *interest*, the amount of her war disbursements for the use of the United States.

If for instance, the amount disbursed had, from an impulse of patriotism, been gratuitously loaned to the State by her citizens, or had been made out of cash lying idle in her coffers, and which, if not so used, would have continued unproductive, the act, with color of reason, denies compensation in the shape of interest, for the application of such money—in aid, forsooth, of United States measures, but for her own defence. Its purpose is strictly indemnifying, not remunerative. On the other hand, no matter for whom or for what purpose, the money expended for the United States was procured—the whole, or so much of it as Maryland had to obtain *on interest*, the act intended to give her *interest upon*, until all was returned—accordingly it is seen that the act *expressly* seeks to ascertain, not the amount *expended*, for it fixes that at the amount *reimbursed*; but the *sum* of that amount, if not all, upon which Maryland had to *pay interest*—it seeks not the *amount of interest* paid by the State, but the *sum* only (not exceeding the amount reimbursed,) on which she had to pay interest. That sum found, the act requires interest on it to be computed in favor of the State from the time she contracted to pay interest, until the sums paid and to be paid by the United States, shall, when applied according to well established principles, be found adequate to the extinguishment of both principal and interest.

We naturally, and with reason, look for those principles in the reported decisions of our courts of justice—applied to the transactions of governments or individuals, they should be the same. Now, although, when the sums reimbursed by the United States, were received by Maryland, they were understood to be of sums disbursed by the State, for the use of the United States, during the late war, yet so soon as the United States, by the Act of Congress, agreed to pay interest on the sum, whereon the State paid interest—in stating an interest account, the interest accrued at the time of each reimbursement, is to be treated as, and is in fact, agreed to have been, as much a part of the debt as the principal itself. In the case of Gwinn vs. Whitaker, I. Harris and Johnson, in harmony with the judgments of the Courts of England, and of the General Court of Maryland, (from which the Hon. Gabriel Duvall, now of the United States Supreme Court, was taken to act as Comptroller of the United States Treasury,) it was decided by the Chief Justice, that partial payments are applicable, first, to the payment of all in-

terest accrued; secondly, to the extinguishment of all dead capital, (if any,)—and lastly, to the extinguishment of the active capital; and that the debtor had no right to elect a different application. The writer knows of no decision, any where, conflicting with it.

Can the *principal* then or any part of it, be said to have been “paid to Maryland, or money placed in her hands for that purpose,” when it is known, that if instantly paid over to her citizens, or monied institutions of whom she borrowed, *it must be* applied to the extinguishment of *interest*, more especially, when it is borne in mind, that the act of congress speaks of the principal *loaned to, or borrowed by* the State.

But the third auditor represents the course of application contended for, as adding interest to principal, and then computing interest on both, whereas, in truth, the interest is never added to the principal until the payments to be applied, exceed the amount of interest; and therefore whenever the interest *is added* to the principal, the interest afterwards computed, is always upon a smaller sum than before. But if the payments were not applied to the settlement of the interest first, the effect would be, to allow him who made the payment, so much interest on its amount *immediately*, as he, to whom it was due, could get for it when re-invested; while the interest just as rightfully due and unpaid, would be irremediably inactive. So to do, would be, glaring injustice. Now there is nothing in the act of congress to work such wrong. To say the 3d rule directs it, by declaring that “when the principal or any part of it has been paid or refunded, the interest on the sums so paid or refunded, shall then cease,” is to beg the question—*that being*, whether the sum paid or refunded, (of smaller amount than the interest accrued at the time thereof) in fact, or in the view of the act of congress, paid any *part* or *sum* of the principal. Reason and the decision referred to, say no: The act of congress, therefore says so too, unless its language contradict it so clearly, as not to admit of misinterpretation. To make the act contradict it clearly, its words must be read thus—“Maryland, it is now agreed was at the time we refunded, entitled to interest on so much as she paid interest upon.” Let the proper officer state the account; but in doing so, he shall (contrary to justice and usage in like cases,) apply the payments we have made, to sinking the principal first, and then the interest. The language of the 3rd rule, it cannot be said, expressly directs so much. Will he then, so read the Bolognian law, which denounced the severest punishment against any one who drew blood in the street (clearer, though it is, in its expressions) as to punish the amiable surgeon, who thus bled his patient in extremis? In that case, the wicked intent, essential to crime, was absent, and made the law inapplicable:—and in this, the clear justice, with which the interest was payable, before the principal could be treated as diminished, precludes the idea, that the act of congress directs otherwise.

Yet the third rule is usefully a part of the act—because, without it, the accounting officer would stand instructed to allow interest

to Maryland, upon the sum, on which she paid interest, without reference to the sums refunded—and with room for the inference, that the accumulation of interest was to be uninterrupted by those payments, because Maryland had disbursed it semi-annually, or quarterly, and after a long interval, was about to get but simple interest in return; whereas, if congress designed to have the sums repaid, treated as payments of *principal* exclusively, they would not, in expressing an idea so simple, have used language, not merely of doubtful acceptation, but, rightly understood, implying the contrary.—The words “*when* the principal, or any part of it has been paid,” addressed to accounting officers, clearly indicate, that the facts are to be found by arithmetical computation—especially, when, as in this case: without such intent, those facts, that is to say, the sums paid and the time of payment, are already known. It would have been said, either *generally*, that “the sums already returned to Maryland, shall be first applied wholly to the extinguishment of the principal”—or *particularly*, that “interest shall be computed, on so much as Maryland paid interest upon, from the time she commenced paying it, until first October, 1818—then upon 40,000 dollars less and so on.”

The objection that “it is so written in the bond,” which the writer has thus considered, and he hopes, removed—he had readily anticipated, as possible, and, at first view, as somewhat plausible. But he had not, and never could have, expected it to be seriously asserted, that when Maryland paid off the debt she had contracted in aid of the United States, by a transfer of her United States 6 per cent. stock, she was to be considered as having from that time, *ceased* to pay interest, in the view of the act of Congress—Still less likely was he to have supposed such an idea would be suggested by, or could be collected from, that act—and still less, that such a construction would be given it by an officer of the aided government—holding, as the writer does, that every such officer, in executing the laws committed to him for that purpose, is bound to give them, if he can, such construction, as will not merely make them comport with reason and justice, but elevate, even to magnanimity, the character of his government for both—On the contrary, he relied with confidence on that fact, to sustain and fortify the claim of Maryland to an allowance of interest, on the most liberal principles, the act could be understood to sanction—and even now, he approaches it as if to combat and grapple with, what for want of substance, is not tangible. It is one of those positions, which, to state clearly and fairly, is to confute—it is to say, that the State, by accelerating her disbursements for interest, ceased to pay it at all—that, by substituting quoad hoc, for the Treasurer of the Western Shore, the Cashier of the Branch of the United States Bank at Baltimore, as her disbursing officer, she ceased to have any—in short, that parting with that, to part with which was to keep out of her Treasury more than before she put out, was equivalent to receiving all and disbursing none—Now, in no part of the act of congress, is the computation of interest in favor of

the State, directed to be discontinued as soon as the State paid her debt—and yet, the time to which interest is to be computed, is *limited* by the act. Will the Third Auditor assume *another* or a *different* limit? The *act* declares that when the sums, refunded by the *United States*, have paid the principal or any part of it, the interest on the whole, or such part, shall cease—The Third Auditor says it must cease, when the *State* (not the U States) has paid the principal. The *act*, in effect, declares, that the interest on such part of the principal, as the sums refunded by the United States, then for the first time paid any part of, shall cease December 28, 1819—The Third Auditor says it shall cease nearly three years earlier, and entirely, to wit: on the 1st January, 1817, when the *State* paid the principal.

In short, to read and understand the act of Congress, as the writer has here done, appears to him so clearly correct, that in his sincerity, he cannot help referring the Third Auditor to the 38th resolution of the last General Assembly, and in the name of the noble purpose, to which the money claimed is already devoted by that resolution, entreating him to consider, with benevolent care and candour, the view of it, he has presented, and to give it all the effect it may be found justly entitled to.

If, however, upon such further consideration, it be determined to be erroneous, and that the money expended, must be proved to have been *borrowed also*, for the use of the United States; the writer offers, in evidence, the subjoined statement, from the State Treasury books, shewing that in the two years, next before the war was declared, the State's annual expenses had averaged about \$120,000. That on the thirty-first October, 1812, the end of the next fiscal year, the balance of cash in her Treasury was \$91,852.88—and that this sum and her revenue for 1813, considerably exceeded her disbursements for that year, deducting so much of them as the Third Auditor admits to have been for the use of the United States.

These facts, it is thought, satisfactorily shew, that the State's circumstances in 1813, rendered it obviously unnecessary to borrow money for her own ordinary purposes, and her conduct, as exhibited by her disbursements in that year, shews she had no extraordinary purpose to accomplish, other than to raise and apply money for the use of the United States—In 1814, her disbursements, deducting as aforesaid, appear it is true, to have exceeded her means not derived from loans, about \$30,000—But it should be always remembered, that the expenditures of the State, in aid of the United States, are well known to its public agents, to have far exceeded the amount they have yet succeeded in proving, in the manner required by the General Government.

If the proof, thus adduced, that the \$282,000, borrowed in 1813, the state had no inducement to borrow for any other than United States' purposes, be considered insufficient, the writer knows not where to find it, unless it exist in the published proceedings of her public functionaries—The silence of the Resolu-

tion, No. 4, which authorised the loans, about their object, the Third Auditor has noticed in his remarks—and agents may conjecture, but cannot know, what their principal has withheld—But the cotemporaneous enactments of the legislature, which passed it, speak plainly and loudly of its motives—such as the previous Resolution, No. 1, of the same session—seeking to ascertain the extent of the protection, to be afforded by the General Government, against the enemy's incursions, and the provision to be expected, for liquidating the necessary expenditures *already made, and contemplated to be continued*, in providing against them—and then the subsequent Resolution, No. 5, passed on the same day as No. 4, which speaks of the *demands of the Secretary of War*, and the consequent considerable expenses of the State, already incurred, and authorises their payment by the Treasurer—who, unquestionably, by executing the Resolution, No. 4, of the same date, was to be supplied with the means of paying—and to have delayed borrowing, at such a time of difficulty, danger and distrust, until the moment the money became indispensable, would certainly have been improvident, and might have been ruinous economy.

If, upon further consideration, it be also decided, that the State must shew *the sums of interest* she has paid, and not merely the *sums on which she paid interest*, and that the Treasurer's official assurance is not equivalent to his *certified copies of vouchers*, the Treasurer will proceed to furnish them (no matter at what expense of time and labor,) so soon as the Third Auditor shall have determined which of the loans he will be able to treat as those which furnished the money expended by the State for the use of the United States.

N. B. The Third Auditor states that \$527, the last sum paid to the State by the United States, was paid on other account—The State Treasury day-book shews it to have been so—but in the ledger, it was carried to the credit of the United States, in the account of their payments for the State's disbursements, for their use, during the war, and that occasioned it to be treated as part of the sums refunded, whereon interest was to be computed.

*STATEMENT referred to in page 19, of the foregoing remarks.*

|   |               |              |
|---|---------------|--------------|
| The State expended in 1810, -   | £44,984 12 10 |              |
| “ “ 1811, -   | 45,672 2 2    |              |
|   | £90,656 15    | Average.     |
|   |               | £45,328 7 6  |
| 1812, Oct. 31st.—Balance of cash<br>in her Treasury, - -              |               | \$91,852 88  |
| 1813, Oct. 31st.—She borrowed<br>in the year then ended, -            | \$262,000 00  |              |
| Received for Revenue do.  |               | 135,578 47   |
|   |               | 227,431 35   |
| Expended do.  | \$285,244 82  |              |
| For the use of the United<br>States, says the Third<br>Auditor, - - - | 127,000 00    | 158,244 82   |
|   |               | \$69,186 53  |
| 1814, Oct. 31st.—She borrowed<br>in the year then ended, -            | \$174,000 00  |              |
| Received for Revenue do.  |               | 115,885 44   |
|   |               | 185,071 97   |
| Expended do.  | \$285,543 82  |              |
| For the use of the United<br>States, says the Third<br>Auditor, - - - | 70,000 00     | \$215,543 82 |

WESTERN SHORE TREASURY, }  
Annapolis, July 17, 1826. }

I certify, that the facts stated in the above statement, as from the books of this department, are truly taken from said books.

GEORGE MACKUBIN,  
Treasurer W. S. Md.

NO. 13.

*Letter from the Third Auditor of the United States Treasury, to the Treasurer of the Western Shore, dated 15th August, 1826.*

TREASURY DEPARTMENT, }  
Third Auditor's Office, 15th August, 1826. }

SIR,—On the 2d inst. I received your letter of the 29th ult. and the remarks to which it refers, in reply to mine, on the claim of the State of Maryland for interest, since reached me in a blank envelope, post marked the 4th inst.

In this reply, after an attentive perusal, I have been unable to perceive any arguments sufficient to produce a conviction on my mind, that the views before taken by me of this subject, are anywise incorrect. Application was made to Congress on behalf of Maryland, to have extended to her a provision by law, similar to the one which had been made for the State of Virginia, and the law enacted for the benefit of the latter State, is shown to have formed the precedent for that in favour of Maryland. My views above alluded to, accord with the principles on which the claim of Virginia was settled; and no other evidence has been asked from Maryland than such as was furnished by Virginia—To show that the sums whereon that State charged interest, were borrowed for no other use than that of the United States, she adduced proof that her ordinary revenue had been for years competent to defray the expenses of her peace establishment, leaving considerable balances in her treasury, at the end of every fiscal year, from 1799 to 1812, inclusive; and that during the war her taxes were greatly and repeatedly increased—her expenditures reimbursed by the United States, were too, at all times except for a short period after borrowing the first sum, largely beyond, in amount, the sums she had on loan at such times, and whereon she charged interest to the United States—Not so with Maryland—at a time, namely, in June, 1813, when not five thousand dollars of the amount refunded by the United States had been disbursed by Maryland, eight different sums, amounting to \$242,000, were borrowed by her, and whereon interest is charged, from the dates of obtaining them; and in October and December next, following, other sums were borrowed, increasing the principal on which interest is charged, equal to the whole amount refunded by the United States, although at the end of the year 1813, considerably more than one half part of that amount had not been disbursed by Maryland, and she still went on borrowing till in August, 1814, \$436,000 had been procured. The facts represented in your remarks as satisfactorily showing that the State's circumstances in 1813, rendered it unnecessary to borrow money for her own ordinary purposes, and her conduct as exhibited by her disbursements in that year, as showing that she had no extraordinary purpose to accomplish, other than to raise and apply money for the use of the United States, do not appear to me to warrant such a conclusion; nor to be reconcilable with the report

of the committee of claims of the State Legislature at the December session, 1813—that report sets forth in detail, the state of the finances of Maryland, on the first November, 1813; it brings into view the balance you have noticed as having been in the State Treasury, at the commencement of that fiscal year, the revenue received into it during the same year, the sums that had, within that period, been procured on loan amounting to \$262,000, the aggregate of the State's disbursement, from the first November, 1812, to the first November, 1813, and the sum in the State Treasury at the latter date; and it shows that notwithstanding the addition of the loan of \$262,000 to the years revenue, and to the unexpended balance of the preceding year, the sum remaining in the Treasury on the first November, 1813, was inadequate to meet the appropriations expressed to have been *due to the 1st November, 1813, and remained unpaid.*

Of the years disbursements, which, according to the report, amounted to \$287,244 81½, not more than between 80 and 90 thousand dollars appear to have been expended for the use of the United States, as evidenced in the way mentioned in the law—the sum [\$127,000] specified by you as having been admitted by me to have been expended for their use, is, as you will find, that which had been so expended at the *end of 1813*, and not on the first of November of that year. The aforesaid appropriations, said to be *due and unpaid on the 1st November, 1813*, amount to more than \$221,000, and exceed by upwards of \$17,000, the balance then in the State Treasury, and by the specification of them, they, with the exception of a portion not perhaps equal to that excess, appear to have been for objects other than expenditures, which have been reimbursed by the United States; these facts taken from a legislative document of the State, lead, as I understand them, to a conclusion quite different from that at which you seem to have arrived. You have observed that it should be always remembered that the expenditures of the State, in aid of the United States, are well known to its public agents, to have far exceeded the amount they have yet succeeded in proving, in the manner required by the general government. This, you will be well satisfied, on reflection, ought to have no influence in the settlement of this claim, even if the accounting officers possessed the like knowledge; the law expressly limiting the sums whereon interest is to be computed, to those which were expended for the use and benefit of the United States, as evidenced by the amount refunded by them to Maryland.

The want of evidence as to the purposes for which the several sums borrowed by the State were procured, renders it utterly impracticable for me to determine as you ask, which of the loans I shall be able to treat, as those which furnished the money expended by the State for the use of the United States; and it is for this reason, that further testimony, which would enable me to do so, was required in my former remarks—it is suggested whether testimony on this point may not be gathered from the records of the



proceedings of the Governor and Council, under whose direction the loan authorised by the resolution, had to be negotiated, at the periods of negotiating the several portions thereof which were raised; or from documents whereon that resolution, it is presumed, was based, and which are probably on file with it. If from these or other sources within the control of the officers of the State, the requisite information cannot be acquired, nor the application for the use of the United States, (evidenced in the way before mentioned) of the specific loans on which interest is charged, can be established; then, under all the circumstances, I should conceive \$127,000 of the money borrowed at the earliest dates, in 1813, (being as before noticed, as much as the State had disbursed for the United States at the *end* of that year) together with a sufficiency of the money borrowed in the year 1814, (and whereof \$25,000 were procured on the very first day of it) to make up the \$279,626 $\frac{1}{10}$  refunded by the United States, the utmost that could reasonably be assumed as sums borrowed and actually expended by Maryland, for the use and benefit of the United States. Your reasoning with respect to the principles on which the claim of Maryland is stated, however applicable it may be to the transactions between individuals, where one party is under a legal obligation to pay interest to the other, is, in my opinion, not only wholly irrelevant in a case like the present, where there was no such obligation nor any principal to liquidate; but also in direct opposition to the rules laid down in the law under which the claim is to be settled. Did Maryland either expend for the use of the United States, the interest on which interest is charged, or pay interest upon such interest? This is not pretended, and unless she did both, how is it possible that the course you contend for, should in this case, be correct? Besides, is it not obvious, that the sum exhibited in the claim as due for interest, is by your process, in point of fact, composed chiefly of *principal*, and this too, although the law authorises the payment of *interest only*.

With regard to the period at which the allowance of interest is to cease, as I understand the second rule of the law, which expressly declares that no interest shall be paid on any sum on which Maryland has not paid interest; its manifest intent is to prevent Maryland's getting more than a reimbursement (and that not beyond the limits prescribed by the 1st and 3d rules,) of interest actually paid by her; whereas on your doctrine, if she borrowed a sum for seven days and paid interest on it for that time, she would be entitled to receive interest thereon for seven years, if the debt of the United States remained so long undischarged. This cannot be the design of the law, nor was the one for the benefit of Virginia so construed, either by the officers of that State, or, as it would seem by those of Maryland, in the first instance, the charges in the interest account of the latter, presented to Congress, being confined to the interest she paid up to the times at which the principal sums were paid off by her. The circumstance of their having been paid

off in income yielding funds instead of money, can make no difference in the settlement of her claim under the law. Had she from time to time, in lieu of negotiating loans, sold sufficient portions of her United States stock, and applied the proceeds to the disbursement of the amount which has been refunded by the United States, no allowance at all, it is considered, could have been made to her under this law, any more than if that amount had been disbursed out of money lying in her Treasury, not derived from loans—that money it might have been urged, she could have invested so as to produce to her, six per cent. income.

If it will be more convenient to the State to procure from the banks and individuals of whom the loans were obtained, certificates setting forth the sums received by them respectively, for interest on such loans, than to collect from the State files, the receipts taken for such interest; I shall not object to that species of evidence, but as a part of the receipts have been supplied, and furnishing of the residue is not alleged to be impracticable, it would be more in consonance with official rules, that they should be forwarded.

Respectfully, your most obedient servant,

PETER HAGNER, Auditor.

GEORGE MACKUBIN, Esq.,

Treasurer of the W. Shore,

Annapolis, Md.

NO. 14.

*Copy of a Letter from the Treasurer of the Western Shore to the Third Auditor of the United States Treasury, dated 26th August, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 26th August, 1826. }

SIR,—I received on the 19th inst. your letter of the 15th, post-marked the 17th.

In my efforts to furnish the proof you had required, of the identity of the sums borrowed and expended by Maryland for the use of the United States, the records of the Council Chamber and every other imaginable source of information had been resorted to, before I wrote to you last.

Very early after the passage of the Resolution, No. 4, of May session, 1813, the Treasurer made it known to the State's Banks and citizens—and in June of that year, the sums then received on loan, as well as most of those afterwards received, were contracted to be loaned to the State, with the sanction of the Executive—and the approbation merely, of that department, is all which can be found on its records. No doubt the difficulty of borrowing at all, at the time, which it was foreseen must rapidly increase with the

progress of the war, induced the officers of the State to borrow *what* they could and *as* they could, without delay, and (if it must be so,) without measuring the amount, by the *supposed* immediate demand for the necessities of the General Government—Such delay, would unquestionably have been followed, (if not by worse consequences,) by the necessity of borrowing thereafter, as did Virginia, at 7, 7½ and 8 per cent, or at \$100 for \$80, as did the United States. Yet this very promptitude, with which the State wisely provided for the emergency, and with such obvious advantage to the United States, is now made the plea, for limiting the computation of *six per cent* interest in *her* favor, to so much of the capital sum borrowed, and admitted to have been expended, as that emergency is *supposed* from time to time to have required.

Sir, the best evidence to be had, that the State borrowed for the United States, accompanied the remarks submitted to you—its rightful effect, I do not think at all weakened, by the report of the committee of claims, to which you refer—The amount of the State's expenditures for the year ended 1st November, 1813, must be misrepresented therein, by a typographical error, for I have again examined her account current of that year, and find it to be \$285,244 81½.

|   |                    |
|---|--------------------|
| The unpaid appropriations to that time, amounting to \$221,449 57, were                               |                    |
| For ordinary charges, only  | \$63,980 02        |
| For extraordinary do. growing out of the war, viz: for the equipment of the State's quota of militia, | \$9,256 91         |
| For the payment of the militia called into service,   | 13,620             |
| For the purchase of arms, ordnance and military stores, &c.   | 134,392 64         |
| For the payment of the accountant of militia claims,  | 200                |
|   | ————— 157,469 55   |
|   | ————— \$221,449 57 |

These ordinary charges to amount of \$63,980 02, from year to year, remaining unpaid at the end of it, the balance in her Treasury not derived from loans, was more than equal to, and no reason from past experience existed, for apprehending that her current revenue would be inadequate to the demand for ordinary current expenses.

The report moreover, (if it may be used for, as against the State,) goes to shew, there is *good ground* for asserting, that her expenditures in aid of the United States, far exceeded the amount she has yet succeeded in proving, in the manner required by the General Government.

The suggestion, however, of itself, was neither intended nor expected to affect the settlement of the claim, but was used to throw light upon circumstances, from which the purpose of Maryland in

borrowing, it was contended might be collected without it, in the irremediable absence of positive proof.

I am not aware, sir, of any just reason, upon which your doctrine, that the obligations of governments and individuals are not the same, can rest.

Interest is not usually demandable of a Government, because, like the individual who tenders what he owes, it is ready to pay. The absence of the reason, in the case considered, annuls the rule derived from it—and Congress, sensible of the obligation, has directed it to be performed; and, as I conceive, (judging from the provisions of its enactment) upon the principles assumed in the statement already exhibited, on the part of the State.

Your insisting, in one sentence, that it charges interest upon interest, and in the very next, that it is composed chiefly of principal, appears to me to be as fallacious as contradictory.

|  |       |
|--|-------|
| If A owe B   | \$100 |
| And a year's interest of                                   | 6     |
|  | —106  |
| And pay  | 100   |
|  | —     |
|  | 6     |
| And B, at the end of another year charge }<br>for interest | 0 36  |

You object *upon principle*, that the \$6 is interest and cannot bear interest—*upon the law*, that the \$6 is principal, which the law does not authorise the payment of.

Now these suggestions are clearly nothing more than a petition principii—They amount to saying, the sums returned to the State by the United States, are to be applied exclusively to the extinguishment of the principal; and they say no more.

If you meant to maintain, sir, that the principal has been paid to all intents and purposes, even to the purpose of stating an interest account, why then, there being no principal, it is obvious there can be *no interest*. But if (with the act of Congress) you agree that the principal, though in fact paid and extinguished, still exists for the purpose of stating an interest account—then, the argument on the part of the State is, that the law authorizes, and justice and usage require, that in stating such an account in this case, the capital paid when the obligation to pay interest was not acknowledged, is to be applied as if it had been then acknowledged, because it then existed in as much force as now—and in this (the only correct) view of it, the statement in behalf of the State, debets the United States with interest only—nor in fact, any more than on the face of it, charges interest upon interest, or any sum of principal.

When the computation of interest is to cease, is as clearly fixed by the act of Congress, to be, when the United States, and not the State, paid off the loans, as words can make it, and in no imaginable circumstance, wherein a government is chargeable with interest at all, can there be found any pretence for withholding it, except, as I have already suggested, where the sum advanced for its benefit,

may have been *gratuitously* loaned for that object, or supplied out of *idle cash*, which, if not so used, *would* have *continued unemployed*.

In such circumstances, it cannot be supposed, the State would have borrowed on interest, for seven days, or at all—and in the absence of these, she must have borrowed what she disbursed, *on interest*, and having done so, is, to my mind, completely within the reason and the words of the law, no matter how soon she discharged her debt.

I understand the doctrine of Virginia to have been precisely the same—although for the time, and for the immediate benefit of her University, she forbore then, to insist upon the return of more than she had disbursed *from her Treasury*.

The list of payments from *the Treasury of Maryland*, exhibited in Congress, on the part of the State, was never designed to shew the *amount* of her claim, but to shew merely, that the claim in fact, existed—and the letter from the Executive chamber, which accompanied it, immediately followed it, protested against any such assumption—accordingly too, the very first thing required of the State, after the passage of the act of Congress, was, that she should prefer *a statement* of her claim.

As you have been pleased to determine, that interest upon \$127,000, from the earliest dates, in 1813, on which so much was borrowed by the State—and on \$152,626 54, from the earliest dates, in 1814, on which this last amount was borrowed, will be admissible. I have hastened to collect the vouchers required for the payment of such interest, and will transmit them as early as possible.

I am very respectfully, sir,  
Your most obedient,

GEO. MACKUBIN,  
Treasurer W. S. Md.

To Peter Hagner, Esq.  
Third Auditor U. S. Treasury,  
City of Washington.

—  
NO. 16.

*Letter from the Third Auditor of the United States Treasury, to the Treasurer of the Western Shore—dated 1st September, 1826.*

TREASURY DEPARTMENT,  
Third Auditor's Office, 1st September, 1826. }

SIR,—I have this day received the statement and vouchers accompanying the interest account of Maryland. On reference to the items, I find you have omitted to charge certain loans negotiated in 1817 and 1818, on which the State is entitled to interest to the

extent set forth in my first remarks on the claims of the State. The vouchers for these payments, with an additional statement embracing them, you will be pleased to forward, when an examination of the account will be made and the result duly communicated.

Respectfully,

Your obedient servant,

PETER HAGNER, Auditor.

George Mackubin, Esq.

Treasurer, W. S. of Md. Annapolis.

—  
NO. 17.

*Copy of a letter from the Treasurer of the Western Shore to the Third Auditor of the United States Treasury, dated 8th September, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 8th September, 1826. }

SIR,—As desired by your letter of the 1st instant, which reached me on the 4th, I send you the within supplemental statement, and the vouchers it refers to.

The sums of interest it includes, were designedly omitted in that of the 30th ult.—because the loans on which they were paid, were had a considerable time after the termination of the war, and (though in consequence of the war, since but for it, borrowing for any purpose would have been wholly unnecessary;) certainly not directly for the use of the United States; and I therefore did not doubt, from your whole course of reasoning, they would be considered inadmissible.

To your letter of the 15th ult., I replied on the 26th, and hope you received it.

Very respectfully,

Your obedient servant,

GEORGE MACKUBIN,

Treasurer Western Shore, Maryland.

To Peter Hagner, Esq.,

Third Auditor of the United States Treasury,  
City of Washington.

## No. 15.

COPY OF THE STATEMENT PREPARED AND TRANSMITTED BY THE TREASURER OF THE WESTERN SHORE, TO THE THIRD AUDITOR OF THE UNITED STATES TREASURY, 30TH AUGUST, 1826, IN CONFORMITY WITH THE THIRD AUDITOR'S DECISION, AS COMMUNICATED IN HIS LETTER OF 15TH AUGUST.

*STATEMENT—Exhibiting the sums of interest paid by the State of Maryland, from her Treasury, on money borrowed and expended for the United States, which, under the late Act of Congress in favor of the State, are, by the 3rd Auditor of the United States Treasury, considered allowable.*

| On George & John Barber's loan of \$7,000 from 19th of June, 1813.          | To what time paid.   | When paid.           | VOUCHERS. | On the loans of the Farmer's Bank of Maryland, of \$100,000 from 19th June, 1813, & \$50,000 from 27th of July, 1814. | To what time paid.  | When paid.           | VOUCHERS. | On the loan of the B'k of Maryland, of \$20,000, from 21st June 1813.  | To what time paid.   | When paid.           | VOUCHERS. | On the loan of the Union B'k. of Maryland of \$25,000, from 1st Jan. 1814.              | To what time paid.   | When paid.          | VOUCHERS. |
|---|----------------------|----------------------|-----------|---|---------------------|----------------------|-----------|--|----------------------|----------------------|-----------|---|----------------------|---------------------|-----------|
| \$210 00  | 19th December, 1813. | 31st December, 1813. | *         | \$1,700 00  | 1st October, 1813.  | 1st October, 1813.   | *         | \$600 00   | 21st December, 1813. | 31st December, 1813. | *         | \$750 00  | 1st July, 1814.      | 9th July, 1814.     | *         |
| 210 00  | 19th June, 1814.     | 20th June, 1814.     | *         | 3,000 00  | 1st April, 1814.    | 1st April, 1814.     | *         | 600 00   | 21st June, 1814.     | 25th June, 1814.     | *         | 750 00  | 1st January, 1815.   | 7th January, 1815.  | 16        |
| 210 00  | 19th December, "     | 22d December, "      | 1         | 3,533 33  | 1st October, "      | 3d October, "        | 6         | 600 00   | 21st December, "     | 14th January, 1815.  | 11        | 750 00  | 1st July, "          | 15th July, "        | 17        |
| 210 00  | 19th June, 1815.     | 20th June, 1815.     | 2         | 4,500 00  | 1st April, 1815.    | 1st April, 1815.     | 7         | 600 00   | 21st June, 1815.     | 30th June, 1816.     | 12        | 750 00  | 1st January, 1816.   | 8th January, 1816.  | 18        |
| 210 00  | 19th December, "     | 27th December, "     | 3         | 4,500 00  | 1st October, "      | 2d October, "        | 8         | 600 00   | 21st December, "     | 10th January, 1816.  | 13        | 750 00  | 1st July, "          | 16th July, "        | 19        |
| 210 00  | 19th June, 1816.     | 23d May, 1816.       | 4         | 4,500 00  | 1st April, 1816.    | 1st April, 1816.     | 9         | 600 00   | 21st June, 1816.     | 9th July, "          | 14        | 750 00  | 1st January, 1817.   | 15th January, 1817. | *         |
| 210 00  | 19th December, "     | 15th January, 1817.  | 5         | 4,500 00  | 1st October, "      | 1st October, "       | 10        | 600 00   | 21st December, "     | 24th December, "     | 15        |   |                      |                     |           |
| 214 00  | 1st January, 1817.   | 24th February, "     | *         | 2,250 00  | 1st January, 1817.  | 24th February, 1817. | *         | 33 33  | 1st January, 1817.   | 24th February, 1817. | *         |   |                      |                     |           |
| \$1,484 00  |                      |                      |           | \$28,483 33   |                     |                      |           | \$4,233 33   |                      |                      |           | \$4,500 00  |                      |                     |           |
| On the loan of Fred'k. Grammer, of \$4000, from 18th July 1814.             | To what time paid.   | When paid.           | VOUCHERS. | On the loan of the Marine B'k of Baltimore of \$5,000, from 27th July, 1814.  | To what time paid.  | When paid.           | VOUCHERS. | On the loan of \$20,000 by the Conococheague B'k. from 15th Aug. 1814. | To what time paid.   | When paid.           | VOUCHERS. | On \$8,626.54, part of the loan of \$10,000, by the Hagerstown B'k. from Aug. 15, 1814. | To what time paid.   | When paid.          | VOUCHERS. |
| \$120 00  | 18th January, 1815.  | 20th January, 1815.  | *         | \$150 00  | 27th January, 1815. | 21st March, 1815.    | 22        | \$750 00   | 1st April, 1815.     | 1st April, 1815.     | 27        | \$258 80  | 15th February, 1815. | 28th March, 1815.   | 32        |
| 120 00  | 18th July, "         | 29th July, "         | *         | 150 00  | 27th July, "        | 12th August, "       | 23        | 600 00   | 1st October, "       | 16th October, "      | 28        | 258 80  | 15th Augut, "        | 19th September, "   | 33        |
| 120 00  | 18th January, 1816.  | 27th January, 1816.  | 20        | 150 00  | 27th January, 1816. | 14th February, 1816. | 24        | 600 00   | 1st April, 1816.     | 4th April, 1816.     | 29        | 258 80  | 15th February, 1816. | 15th April, 1816.   | 34        |
| 120 00  | 18th July, "         | 29th July, "         | 21        | 150 00  | 27th July, "        | 10th August, "       | 25        | 600 00   | 1st October, "       | 10th October, "      | 30        | 258 80  | 15th August, "       | 1st October, "      | 35        |
| 108 66  | 1st January, 1817.   | 24th February, 1817. | *         | 128 33  | 1st January, 1817.  | 24th February, 1817. | *         | 600 00   | 1st April, 1817.     | 10th April, 1817.    | 31        | 323 50  | 1st April, 1817.     | 8th April, 1817.    | 36        |
| \$588 66  |                      |                      |           | \$728 33  |                     |                      |           | \$3,150 00   |                      |                      |           | \$1,358 70  |                      |                     |           |
| On the loan by the City Bank of Baltimore of \$20,000 from 27th July, 1814. | To what time paid.   | When paid.           | VOUCHERS. | On the loan by the Mechanics Bank of Baltimore, of \$20,000, from 27th July, 1814.                                    | To what time paid.  | When paid.           | VOUCHERS. |  |                      |                      |           |   |                      |                     |           |
| \$600 00  | 27th January, 1815.  | 6th April, 1815.     | 37        | \$2,913 33  | 1st January, 1817.  | 24th February, 1817. | 39        |  |                      |                      |           |   |                      |                     |           |
| 2,306 66  | 1st January, 1817.   | 24th January, 1817.  | 38        |   |                     |                      |           |  |                      |                      |           |   |                      |                     |           |
| \$2,906 66  |                      |                      |           |   |                     |                      |           |  |                      |                      |           |   |                      |                     |           |

The vouchers referred to thus (\*) are already in the hands of the 3rd Auditor.

### S U M M A R Y .

| BANKS AND INDIVIDUALS.                         | Loans.       | Interest.   |
|--|--------------|-------------|
| To George and John Barber, - - - - -           | \$7,000 00   | \$484 00    |
| To the Farmer's Bank of Maryland, - - - - -    | 150,000 00   | 28,483 33   |
| To the Bank of Maryland, - - - - -             | 20,000 00    | 4,233 33    |
| To the Union Bank of Maryland, - - - - -       | 25,000 00    | 4,500 00    |
| To Frederick Grammer, - - - - -                | 4,000 00     | 588 66      |
| To the Mechanic's Bank of Baltimore, - - - - - | 20,000 00    | 2,913 33    |
| To the City Bank of Baltimore, - - - - -       | 20,000 00    | 2,906 66    |
| To the Marine Bank of Baltimore, - - - - -     | 5,000 00     | 728 33      |
| To the Conococheague Bank, - - - - -           | 20,000 00    | 3,150 00    |
| To the Hagerstown Bank, - - - - -              | 8,626 54     | 1,358 70    |
|  | \$279,626 54 | \$50,346 34 |

GEORGE MACKUBIN, Treasurer W. S. Md.

## NO. 18.

*Letter from the Third Auditor of the United States Treasury, to the Treasurer for the Western Shore, dated 18th September, 1826; and Treasurer's memorandum, 28th December, 1826.*

TREASURY DEPARTMENT,  
Third Auditor's Office, 18th Sept., 1826. }

SIR,—On the 11th instant, I received your letter of the 8th with the supplemental account of Maryland, against the United States for interest, and on the same day reported the claim to the second Comptroller for his decision agreeably to law. He has this morning returned it to this office with his decision thereon, allowing the same for the amount specified in your statement of the 30th ult., and in the supplemental one above noticed, viz: \$61,582  $\frac{6}{100}$ . Of this sum the State has already received \$30,000, and the remaining \$31,582  $\frac{6}{100}$  will be remitted to you by the Treasurer of the United States, and for which you are requested to send duplicate receipts, one to him and the other to this office.

With great respect,

Your most obedient servant,

PETER HAGNER, Auditor.

GEORGE MACKUBIN, Esq.,  
Treasurer of the W. S., Annapolis, Md.

MEMORANDUM.—The \$31,582  $\frac{6}{100}$  were received 22d September, 1826, and the receipt duly acknowledged by letters to the 3d Auditor and Treasurer of the United States—of which no copies were taken.

GEORGE MACKUBIN,  
Treasurer W. S. Md.

December 28th, 1826.

## NO. 19.

*Letter from the Third Auditor's Chief Clerk, to the Treasurer of the Western Shore, dated 9th November, 1826.*

TREASURY DEPARTMENT,  
Third Auditor's Office, 9th Nov., 1826. }

SIR,—Sundry unsettled accounts of the State of Maryland, having been audited in this office, were on the 14th ult. reported to the second Comptroller, who has this morning returned the same with his decision, making allowances thereon, amounting to \$10,429 49, and this sum will, agreeably to the direction of his Excellency Governor Kent, be remitted to you by the Treasurer of the United



States, and for which, I have to request of you, to send duplicate receipts, one to the Treasurer and the other to this office.

As has been signified to Governor Kent, the admissions on these accounts, are considered sufficient to warrant a further allowance on the claim of the State for interest. Attention will shortly be given to this subject, and a further communication be made to you in relation thereto.

Respectfully, your ob't servant,

J. THOMPSON, Chief Clerk.

GEORGE MACKUBIN, Esq.,

Treasurer of the Western Shore,  
Annapolis, Maryland.

—  
NO. 20.

*Letter from the Third Auditor of the United States Treasury, dated 17th November, 1826.*

TREASURY DEPARTMENT,  
Third Auditor's Office, 17th Nov., 1826. }

SIR,—To enable the accounting officers of the Treasury to make a further allowance under the law of the last session, authorising the payment of interest due to the State of Maryland, so far as regards the expenditures made by the State, and the amount whereof has been lately admitted and refunded by the United States; I have to ask of you to state and furnish to me a supplementary account with such vouchers in its support as are not amongst those heretofore transmitted to this office. The expenditures above noticed appearing to have been chiefly made at an early period, interest is conceived to be allowable on a like amount, part of any of the loans obtained on the 21st of June, 1813, other than that procured from the Bank of Maryland, from that day to the first of January, 1817 also, on a like amount, part of the \$40,000, borrowed in 1817 and 1818, from the eleventh January, 1821, (up to which time it has been computed in the settled account) to the 31st of March, 1822; and upon a like amount, part of the \$100,000 loan, procured first of April, 1822, from that day to the 9th February last, when as I understand from the interest statement prepared by you in May last, the last portion of that loan, being \$20,000 was discharged. This \$100,000 loan not having been obtained until after the refundment of all the former admitted expenditures by the State, it became unnecessary to notice it in the examination of the interest account, which has been settled; and this led to its being overlooked, when in a late communication to Governor Kent, I expressed that nearly \$3,000 more would be allowable for interest in respect of the accounts lately reported by me to the Comptroller, in the

event of his confirming that report. The amount now chargeable will of course be found considerably to exceed that sum.

Respectfully, your most ob't servant,  
**PETER HAGNER, Auditor,**  
**GEORGE MACKUBIN, Esq.**  
 Treasurer of the Western Shore,  
 Annapolis, Maryland.

NO. 21.

*Copy of the Treasurer's Letter of the 20th November, 1826.*

WESTERN SHORE TREASURY, }  
 Annapolis, 20th November, 1826. }

SIR,—On the thirteenth, I received a letter from Governor Kent, enclosing one addressed to him on the seventh, by the second comptroller, who therein stated 10,448 dollars 11 cents, had been found due to Maryland.

On the thirteenth also, I received your chief clerk's letter of the ninth, stating 10,429 dollars 49 cents, were allowed to Maryland on account of sundry, unsettled claims of the state, and that the United States treasurer would transmit that sum.

On the seventeenth, I received the treasurer's draft of the sixteenth, on the branch of the United States Bank, at Baltimore, for 10,424 dollars 49 cents, only.

Those three communications all differing as to the amount, will you be so obliging as to inform me as early as may be, what sum is indeed allowed, that the statement sought by your last of the seventeenth, just now arrived, may be prepared accordingly.

Respectfully,

Your obedient servant,

**GEORGE MACKUBIN,**  
 Treasurer of the Western Shore of Md.

To Peter Hagner, Esq.

Third Auditor of the United States Treasury.

City of Washington.

NO. 22.

*The Third Auditor's reply of the 22d of November, 1826, to the Treasurer's Letter of the 20th November, 1826.*

TREASURY DEPARTMENT, }  
 Third Auditor's Office, 22d Nov. 1826. }

SIR,—In reply to your letter of the twentieth instant, this morning received, I have to state, that the amount originally admitted in this office on the accounts of the State of Maryland, lately

settled, was as noticed in my letter to Governor Kent, of the fourteenth ultimo, 10,424 dollars 13 cents, and to this an addition has been made in the comptroller's office, of 36 cents, together constituting the sum you mention to have been remitted by the treasurer. An inadvertent mistake of a figure, has it appears been made in the letter to you from this office of the ninth instant.

Respectfully,

Your obedient servant,

PETER HAGNER, Auditor.

GEORGE MACKUBIN, Esq.,

Treasurer of the Western Shore,  
Annapolis, Maryland.

NO. 23.

*Copy of a letter from the Treasurer for the Western Shore, to the 3d Auditor of the United States Treasury, dated 27th November, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 27th November, 1826. }

SIR,—Be pleased to receive herewith the further supplemental statement and the vouchers it refers to, asked for by your letter of the 17th.

The vouchers referred to thus \*, as to payments made to the Commercial and Farmers Bank of Baltimore, were handed to you by Mr. Culbreth, about the 1st of July last. And as to payments made to the Farmers' Bank of Maryland, on the loans in 1817—18 of \$40,000, accompanied (in the shape of the cashier's certificate) the supplemental account transmitted to you early in September.

Most respectfully,

Your obedient servant,

GEORGE MACKUBIN,  
Treasurer W. S. Md.

To PETER HAGNER, Esq.

Third Auditor U. S. Treasury,  
City of Washington.

## No. 23.

FURTHER SUPPLEMENTAL STATEMENT, EXHIBITING SO MUCH OF THE SUMS OF INTEREST PAID BY THE STATE OF MARYLAND, ON THE LOANS THEREIN MENTIONED, AS UNDER THE LATE ACT OF CONGRESS IN FAVOR OF THE STATE, ARE BY THE THIRD AUDITOR OF THE UNITED STATES TREASURY, CONSIDERED ALLOWABLE.

|   | To what time paid.   | When paid.           | VOUCHERS. | On \$10,429.49, part of the loan of \$100,000, by the Farmers' Bank of Maryland, from 1st April 1822, to 9th February 1826, at 5 pr. ct. | To what time paid.  | When paid.         | VOUCHERS. |  |
|---|----------------------|----------------------|-----------|--|---------------------|--------------------|-----------|--|
| On \$10,424.49, part of the loan of \$20,000, by the Commercial & Farmers' Bank of Baltimore, from 21st June 1813, to 1st Jan. 1817.    |                      |                      |           |  |                     |                    |           |  |
| \$312 73  | 21st December, 1813, | 1st February, 1814,  | *         | \$130 30   | 1st July, 1822,     | 1st July, 1822     | *         | The accompanying certificate of the President. |
| 312 73  | 21st June, 1814,     | 20th August, 1814,   | *         | 130 31   | 1st October, 1822,  | 8th October, 1822  | *         |  |
| 312 74  | 21st December, " "   | 28th March, 1815,    | No. 1     | 130 30   | 1st January, 1823,  | 2nd January, 1823  | 2         |  |
| 312 73  | 21st June, 1815,     | 16th October, 1815,  | " 2       | 130 31   | 1st April, 1823,    | 1st April, 1823    | 3         |  |
| 312 74  | 21st December, " "   | 26th December, 1815, | " 3       | 130 31   | 1st July, 1823,     | 1st July, 1823     | *         |  |
| 642 84  | 1st January, 1817,   | 24th February, 1817, | *         | 130 30   | 1st October, 1823,  | 2nd October, 1823  | *         |  |
| \$2,206 51  |                      |                      |           | 130 31   | 1st January, 1824,  | 1st January, 1824  | *         |  |
|   |                      |                      |           | 130 30   | 1st April, 1824,    | 1st April, 1824    | *         |  |
|   |                      |                      |           | 130 31   | 1st July, 1824,     | 1st July, 1824     | *         |  |
|   |                      |                      |           | 130 31   | 1st October, 1824,  | 1st October, 1824  | *         |  |
|   |                      |                      |           | 130 30   | 1st January, 1825,  | 1st January, 1825  | *         |  |
|   |                      |                      |           | 130 31   | 1st April, 1825,    | 1st April, 1825    | *         |  |
|   |                      |                      |           | 130 30   | 1st July, 1825,     | 1st July, 1825     | *         |  |
|   |                      |                      |           | 130 31   | 1st October, 1825,  | 1st October, 1825  | *         |  |
|   |                      |                      |           | 130 31   | 1st January, 1826,  | 1st January, 1826  | *         |  |
|   |                      |                      |           | 55 02  | 9th February, 1826, | 9th February, 1826 | *         |  |
|   |                      |                      |           | \$2,079 61   |                     |                    |           |  |
| On \$10,426.49, part of the loans \$40,000 in 1817, and 1818, by the Farmers' Bank of Maryland, from 11th Jan. 1821, to 1st April 1822. |                      |                      |           |  |                     |                    |           |  |
| \$140 73  | 2nd April, 1821,     | 2nd April, 1821,     | } *       |  |                     |                    |           | The accompanying certificate of the President. |
| 156 37  | 2nd July, 1821,      | 2nd July, 1821,      |           |  |                     |                    |           |  |
| 156 37  | 2nd October, 1821,   | 2nd October, 1821,   |           |  |                     |                    |           |  |
| 156 36  | 2nd January, 1822,   | 2nd January, 1822,   |           |  |                     |                    |           |  |
| 154 64  | 1st April, 1822,     | 2nd April, 1822,     |           | No. 4  |                     |                    |           |  |
| \$764 47  |                      |                      |           |  |                     |                    |           |  |

FARMERS' BANK OF MARYLAND,  
Annapolis, November 27th, 1826.

I certify that the several sums of interest within stated to have been paid to this institution, by the State of Maryland, on the \$100,000, therein mentioned, and amounting to \$2,009.61, were so paid at the times in that behalf also stated.

Signed,  
H. H. HARWOOD, President.

S U M M A R Y .

|  |            |
|--|------------|
| Paid to the Commercial and Farmers' Bank of Baltimore, - - - | \$2,206 51 |
| Paid to the Farmers' Bank of Maryland, - - -                 | 764 47     |
| Paid to same, - - - - -                                      | 2,009 61   |
| Amount, - - - - -  | \$4,980 59 |

THE STATE OF MARYLAND: BEING THE FIRST PART OF THE REPORT OF THE COMMISSIONERS OF THE LAND OFFICE, AS AUTHORIZED BY THE ACT OF THE GENERAL ASSEMBLY, PASSED IN 1834, AND BY THE ACT OF THE GENERAL ASSEMBLY, PASSED IN 1835, IN RELATION TO THE LANDS BELONGING TO THE STATE OF MARYLAND.

| LANDS BELONGING TO THE STATE OF MARYLAND |            | LANDS BELONGING TO THE STATE OF MARYLAND |            | LANDS BELONGING TO THE STATE OF MARYLAND |            |
|--|------------|--|------------|--|------------|
| Year                                     | Value      | Year                                     | Value      | Year                                     | Value      |
| 1834                                     | 100,000    | 1835                                     | 120,000    | 1836                                     | 150,000    |
| 1837                                     | 180,000    | 1838                                     | 200,000    | 1839                                     | 250,000    |
| 1840                                     | 300,000    | 1841                                     | 350,000    | 1842                                     | 400,000    |
| 1843                                     | 450,000    | 1844                                     | 500,000    | 1845                                     | 550,000    |
| 1846                                     | 600,000    | 1847                                     | 650,000    | 1848                                     | 700,000    |
| 1849                                     | 750,000    | 1850                                     | 800,000    | 1851                                     | 850,000    |
| 1852                                     | 900,000    | 1853                                     | 950,000    | 1854                                     | 1,000,000  |
| 1855                                     | 1,050,000  | 1856                                     | 1,100,000  | 1857                                     | 1,150,000  |
| 1858                                     | 1,200,000  | 1859                                     | 1,250,000  | 1860                                     | 1,300,000  |
| 1861                                     | 1,350,000  | 1862                                     | 1,400,000  | 1863                                     | 1,450,000  |
| 1864                                     | 1,500,000  | 1865                                     | 1,550,000  | 1866                                     | 1,600,000  |
| 1867                                     | 1,650,000  | 1868                                     | 1,700,000  | 1869                                     | 1,750,000  |
| 1870                                     | 1,800,000  | 1871                                     | 1,850,000  | 1872                                     | 1,900,000  |
| 1873                                     | 1,950,000  | 1874                                     | 2,000,000  | 1875                                     | 2,050,000  |
| 1876                                     | 2,100,000  | 1877                                     | 2,150,000  | 1878                                     | 2,200,000  |
| 1879                                     | 2,250,000  | 1880                                     | 2,300,000  | 1881                                     | 2,350,000  |
| 1882                                     | 2,400,000  | 1883                                     | 2,450,000  | 1884                                     | 2,500,000  |
| 1885                                     | 2,550,000  | 1886                                     | 2,600,000  | 1887                                     | 2,650,000  |
| 1888                                     | 2,700,000  | 1889                                     | 2,750,000  | 1890                                     | 2,800,000  |
| 1891                                     | 2,850,000  | 1892                                     | 2,900,000  | 1893                                     | 2,950,000  |
| 1894                                     | 3,000,000  | 1895                                     | 3,050,000  | 1896                                     | 3,100,000  |
| 1897                                     | 3,150,000  | 1898                                     | 3,200,000  | 1899                                     | 3,250,000  |
| 1900                                     | 3,300,000  | 1901                                     | 3,350,000  | 1902                                     | 3,400,000  |
| 1903                                     | 3,450,000  | 1904                                     | 3,500,000  | 1905                                     | 3,550,000  |
| 1906                                     | 3,600,000  | 1907                                     | 3,650,000  | 1908                                     | 3,700,000  |
| 1909                                     | 3,750,000  | 1910                                     | 3,800,000  | 1911                                     | 3,850,000  |
| 1912                                     | 3,900,000  | 1913                                     | 3,950,000  | 1914                                     | 4,000,000  |
| 1915                                     | 4,050,000  | 1916                                     | 4,100,000  | 1917                                     | 4,150,000  |
| 1918                                     | 4,200,000  | 1919                                     | 4,250,000  | 1920                                     | 4,300,000  |
| 1921                                     | 4,350,000  | 1922                                     | 4,400,000  | 1923                                     | 4,450,000  |
| 1924                                     | 4,500,000  | 1925                                     | 4,550,000  | 1926                                     | 4,600,000  |
| 1927                                     | 4,650,000  | 1928                                     | 4,700,000  | 1929                                     | 4,750,000  |
| 1930                                     | 4,800,000  | 1931                                     | 4,850,000  | 1932                                     | 4,900,000  |
| 1933                                     | 4,950,000  | 1934                                     | 5,000,000  | 1935                                     | 5,050,000  |
| 1936                                     | 5,100,000  | 1937                                     | 5,150,000  | 1938                                     | 5,200,000  |
| 1939                                     | 5,250,000  | 1940                                     | 5,300,000  | 1941                                     | 5,350,000  |
| 1942                                     | 5,400,000  | 1943                                     | 5,450,000  | 1944                                     | 5,500,000  |
| 1945                                     | 5,550,000  | 1946                                     | 5,600,000  | 1947                                     | 5,650,000  |
| 1948                                     | 5,700,000  | 1949                                     | 5,750,000  | 1950                                     | 5,800,000  |
| 1951                                     | 5,850,000  | 1952                                     | 5,900,000  | 1953                                     | 5,950,000  |
| 1954                                     | 6,000,000  | 1955                                     | 6,050,000  | 1956                                     | 6,100,000  |
| 1957                                     | 6,150,000  | 1958                                     | 6,200,000  | 1959                                     | 6,250,000  |
| 1960                                     | 6,300,000  | 1961                                     | 6,350,000  | 1962                                     | 6,400,000  |
| 1963                                     | 6,450,000  | 1964                                     | 6,500,000  | 1965                                     | 6,550,000  |
| 1966                                     | 6,600,000  | 1967                                     | 6,650,000  | 1968                                     | 6,700,000  |
| 1969                                     | 6,750,000  | 1970                                     | 6,800,000  | 1971                                     | 6,850,000  |
| 1972                                     | 6,900,000  | 1973                                     | 6,950,000  | 1974                                     | 7,000,000  |
| 1975                                     | 7,050,000  | 1976                                     | 7,100,000  | 1977                                     | 7,150,000  |
| 1978                                     | 7,200,000  | 1979                                     | 7,250,000  | 1980                                     | 7,300,000  |
| 1981                                     | 7,350,000  | 1982                                     | 7,400,000  | 1983                                     | 7,450,000  |
| 1984                                     | 7,500,000  | 1985                                     | 7,550,000  | 1986                                     | 7,600,000  |
| 1987                                     | 7,650,000  | 1988                                     | 7,700,000  | 1989                                     | 7,750,000  |
| 1990                                     | 7,800,000  | 1991                                     | 7,850,000  | 1992                                     | 7,900,000  |
| 1993                                     | 7,950,000  | 1994                                     | 8,000,000  | 1995                                     | 8,050,000  |
| 1996                                     | 8,100,000  | 1997                                     | 8,150,000  | 1998                                     | 8,200,000  |
| 1999                                     | 8,250,000  | 2000                                     | 8,300,000  | 2001                                     | 8,350,000  |
| 2002                                     | 8,400,000  | 2003                                     | 8,450,000  | 2004                                     | 8,500,000  |
| 2005                                     | 8,550,000  | 2006                                     | 8,600,000  | 2007                                     | 8,650,000  |
| 2008                                     | 8,700,000  | 2009                                     | 8,750,000  | 2010                                     | 8,800,000  |
| 2011                                     | 8,850,000  | 2012                                     | 8,900,000  | 2013                                     | 8,950,000  |
| 2014                                     | 9,000,000  | 2015                                     | 9,050,000  | 2016                                     | 9,100,000  |
| 2017                                     | 9,150,000  | 2018                                     | 9,200,000  | 2019                                     | 9,250,000  |
| 2020                                     | 9,300,000  | 2021                                     | 9,350,000  | 2022                                     | 9,400,000  |
| 2023                                     | 9,450,000  | 2024                                     | 9,500,000  | 2025                                     | 9,550,000  |
| 2026                                     | 9,600,000  | 2027                                     | 9,650,000  | 2028                                     | 9,700,000  |
| 2029                                     | 9,750,000  | 2030                                     | 9,800,000  | 2031                                     | 9,850,000  |
| 2032                                     | 9,900,000  | 2033                                     | 9,950,000  | 2034                                     | 10,000,000 |
| 2035                                     | 10,050,000 | 2036                                     | 10,100,000 | 2037                                     | 10,150,000 |
| 2038                                     | 10,200,000 | 2039                                     | 10,250,000 | 2040                                     | 10,300,000 |
| 2041                                     | 10,350,000 | 2042                                     | 10,400,000 | 2043                                     | 10,450,000 |
| 2044                                     | 10,500,000 | 2045                                     | 10,550,000 | 2046                                     | 10,600,000 |
| 2047                                     | 10,650,000 | 2048                                     | 10,700,000 | 2049                                     | 10,750,000 |
| 2050                                     | 10,800,000 | 2051                                     | 10,850,000 | 2052                                     | 10,900,000 |
| 2053                                     | 10,950,000 | 2054                                     | 11,000,000 | 2055                                     | 11,050,000 |
| 2056                                     | 11,100,000 | 2057                                     | 11,150,000 | 2058                                     | 11,200,000 |
| 2059                                     | 11,250,000 | 2060                                     | 11,300,000 | 2061                                     | 11,350,000 |
| 2062                                     | 11,400,000 | 2063                                     | 11,450,000 | 2064                                     | 11,500,000 |
| 2065                                     | 11,550,000 | 2066                                     | 11,600,000 | 2067                                     | 11,650,000 |
| 2068                                     | 11,700,000 | 2069                                     | 11,750,000 | 2070                                     | 11,800,000 |
| 2071                                     | 11,850,000 | 2072                                     | 11,900,000 | 2073                                     | 11,950,000 |
| 2074                                     | 12,000,000 | 2075                                     | 12,050,000 | 2076                                     | 12,100,000 |
| 2077                                     | 12,150,000 | 2078                                     | 12,200,000 | 2079                                     | 12,250,000 |
| 2080                                     | 12,300,000 | 2081                                     | 12,350,000 | 2082                                     | 12,400,000 |
| 2083                                     | 12,450,000 | 2084                                     | 12,500,000 | 2085                                     | 12,550,000 |
| 2086                                     | 12,600,000 | 2087                                     | 12,650,000 | 2088                                     | 12,700,000 |
| 2089                                     | 12,750,000 | 2090                                     | 12,800,000 | 2091                                     | 12,850,000 |
| 2092                                     | 12,900,000 | 2093                                     | 12,950,000 | 2094                                     | 13,000,000 |
| 2095                                     | 13,050,000 | 2096                                     | 13,100,000 | 2097                                     | 13,150,000 |
| 2098                                     | 13,200,000 | 2099                                     | 13,250,000 | 2100                                     | 13,300,000 |
| 2101                                     | 13,350,000 | 2102                                     | 13,400,000 | 2103                                     | 13,450,000 |
| 2104                                     | 13,500,000 | 2105                                     | 13,550,000 | 2106                                     | 13,600,000 |
| 2107                                     | 13,650,000 | 2108                                     | 13,700,000 | 2109                                     | 13,750,000 |
| 2110                                     | 13,800,000 | 2111                                     | 13,850,000 | 2112                                     | 13,900,000 |
| 2113                                     | 13,950,000 | 2114                                     | 14,000,000 | 2115                                     | 14,050,000 |
| 2116                                     | 14,100,000 | 2117                                     | 14,150,000 | 2118                                     | 14,200,000 |
| 2119                                     | 14,250,000 | 2120                                     | 14,300,000 | 2121                                     | 14,350,000 |
| 2122                                     | 14,400,000 | 2123                                     | 14,450,000 | 2124                                     | 14,500,000 |
| 2125                                     | 14,550,000 | 2126                                     | 14,600,000 | 2127                                     | 14,650,000 |
| 2128                                     | 14,700,000 | 2129                                     | 14,750,000 | 2130                                     | 14,800,000 |
| 2131                                     | 14,850,000 | 2132                                     | 14,900,000 | 2133                                     | 14,950,000 |
| 2134                                     | 15,000,000 | 2135                                     | 15,050,000 | 2136                                     | 15,100,000 |
| 2137                                     | 15,150,000 | 2138                                     | 15,200,000 | 2139                                     | 15,250,000 |
| 2140                                     | 15,300,000 | 2141                                     | 15,350,000 | 2142                                     | 15,400,000 |
| 2143                                     | 15,450,000 | 2144                                     | 15,500,000 | 2145                                     | 15,550,000 |
| 2146                                     | 15,600,000 | 2147                                     | 15,650,000 | 2148                                     | 15,700,000 |
| 2149                                     | 15,750,000 | 2150                                     | 15,800,000 | 2151                                     | 15,850,000 |
| 2152                                     | 15,900,000 | 2153                                     | 15,950,000 | 2154                                     | 16,000,000 |
| 2155                                     | 16,050,000 | 2156                                     | 16,100,000 | 2157                                     | 16,150,000 |
| 2158                                     | 16,200,000 | 2159                                     | 16,250,000 | 2160                                     | 16,300,000 |
| 2161                                     | 16,350,000 | 2162                                     | 16,400,000 | 2163                                     | 16,450,000 |
| 2164                                     | 16,500,000 | 2165                                     | 16,550,000 | 2166                                     | 16,600,000 |
| 2167                                     | 16,650,000 | 2168                                     | 16,700,000 | 2169                                     | 16,750,000 |
| 2170                                     | 16,800,000 | 2171                                     | 16,850,000 | 2172                                     | 16,900,000 |
| 2173                                     | 16,950,000 | 2174                                     | 17,000,000 | 2175                                     | 17,050,000 |
| 2176                                     | 17,100,000 | 2177                                     | 17,150,000 | 2178                                     | 17,200,000 |
| 2179                                     | 17,250,000 | 2180                                     | 17,300,000 | 2181                                     | 17,350,000 |
| 2182                                     | 17,400,000 | 2183                                     | 17,450,000 | 2184                                     | 17,500,000 |
| 2185                                     | 17,550,000 | 2186                                     | 17,600,000 | 2187                                     | 17,650,000 |
| 2188                                     | 17,700,000 | 2189                                     | 17,750,000 | 2190                                     | 17,800,000 |
| 2191                                     | 17,850,000 | 2192                                     | 17,900,000 | 2193                                     | 17,950,000 |
| 2194                                     | 18,000,000 | 2195                                     | 18,050,000 | 2196                                     | 18,100,000 |
| 2197                                     | 18,150,000 | 2198                                     | 18,200,000 | 2199                                     | 18,250,000 |
| 2200                                     | 18,300,000 | 2201                                     | 18,350,000 | 2202                                     | 18,400,000 |
| 2203                                     | 18,450,000 | 2204                                     | 18,500,000 | 2205                                     | 18,550,000 |
| 2206                                     | 18,600,000 | 2207                                     | 18,650,000 | 2208                                     | 18,700,000 |
| 2209                                     | 18,750,000 | 2210                                     | 18,800,000 | 2211                                     | 18,850,000 |
| 2212                                     | 18,900,000 | 2213                                     | 18,950,000 | 2214                                     | 19,000,000 |
| 2215                                     | 19,050,000 | 2216                                     | 19,100,000 | 2217                                     | 19,150,000 |
| 2218                                     | 19,200,000 | 2219                                     | 19,250,000 | 2220                                     | 19,300,000 |
| 2221                                     | 19,350,000 | 2222                                     | 19,400,000 | 2223                                     | 19,450,000 |
| 2224                                     | 19,500,000 | 2225                                     | 19,550,000 | 2226                                     | 19,600,000 |
| 2227                                     | 19,650,000 | 2228                                     | 19,700,000 | 2229                                     | 19,750,000 |
| 2230                                     | 19,800,000 | 2231                                     | 19,850,000 | 2232                                     | 19,900,000 |
| 2233                                     | 19,950,000 | 2234                                     | 20,000,000 | 2235                                     | 20,050,000 |
| 2236                                     | 20,100,000 | 2237                                     | 20,150,000 | 2238                                     | 20,200,000 |
| 2239                                     | 20,250,000 | 2240                                     | 20,300,000 | 2241                                     | 20,350,000 |
| 2242                                     | 20,400,000 | 2243                                     | 20,450,000 | 2244                                     | 20,500,000 |
| 2245                                     | 20,550,000 | 2246                                     | 20,600,000 | 2247                                     | 20,650,000 |
| 2248                                     | 20,700,000 | 2249                                     | 20,750,000 | 2250                                     | 20,800,000 |
| 2251                                     | 20,850,000 | 2252                                     | 20,900,000 | 2253                                     | 20,950,000 |
| 2254                                     | 21,000,000 | 2255                                     | 21,050,000 | 2256                                     | 21,100,000 |
| 2257                                     | 21,150,000 | 2258                                     | 21,200,000 | 2259                                     | 21,250,000 |
| 2260                                     | 21,300,000 | 2261                                     | 21,350,000 | 2262                                     | 21,400,000 |
| 2263                                     | 21,450,000 | 2264                                     | 21,500,000 | 2265                                     | 21,550,000 |
| 2266                                     | 21,600,000 | 2267                                     | 21,650,000 |  |            |

## NO. 24.

*Letter from the Third Auditor of the United States Treasury,  
to the Treasurer of the Western Shore, dated 29th Novem-  
ber, 1826.*

TREASURY DEPARTMENT, }  
Third Auditor's Office, 29th Nov. 1826. }

SIR,—I have this morning received your letter of the twenty-seventh instant, with the supplemental interest account of the State of Maryland, and certain vouchers to which it refers, and have audited and reported the account to the second comptroller, and by whose decision it has been allowed. Its amount will be remitted to you by the treasurer of the United States, and you will be pleased to send duplicate receipts for the same, one to him, and the other to this office.

Respectfully,

Your most obedient servant,

PETER HAGNER, Auditor.

GEORGE MACKUBIN, Esq.,  
Treasurer of the Western Shore,  
Annapolis, Md.

---

 NO. 25.

*Copy of the Treasurer's Answer, 10th December, 1826.*

WESTERN SHORE TREASURY, }  
Annapolis, 10th Dec. 1826. }

SIR,—I received on the 5th instant your letter of the 29th ult., post-marked 3d of December, informing me that the amount of the further supplemental interest account of Maryland, transmitted to you on the 27th November last, had been allowed, and would be sent to me by the United States Treasurer.

On the 8th instant accordingly, I received under cover of the treasurer's letter of the day before, his draft on the branch at Baltimore of the United States Bank, for 4,980 dollars 59 cents.

Respectfully,

Your obedient servant,

GEORGE MACKUBIN,

Treasurer of the Western Shore, Md.

To PETER HAGNER, Esq.,  
Third Auditor of the United States Treasury,  
City of Washington.