

the Bank of Washington, or the notes of good and solvent Banks in Baltimore, the Canal Company paying one per cent. premium.

Having as desired submitted this proposition to the Board of Directors, I am instructed to say that they cannot give their assent to it. At the time of discounting the acceptances all of the Banks were paying specie and since then, this Institution has redeemed its notes in New York funds, without premium, to the amount of \$78,000 and the whole came through Baltimore, so that it may be considered as having redeemed all the notes with which those acceptances were discounted, in specie or its equivalent. The mere circumstance of the Banks here and in Baltimore &c. having suspended specie payments has not increased the value of money in N. York. Had there been no suspension by them it would have been quite as difficult, to procure the funds in Baltimore as in New York. The depreciation in Baltimore and here is caused by the Banks having to receive all payments in current notes instead of specie, or its equivalent, which was payable when this Bank loaned the money. If as in 1837 the New York Banks had suspended, and the Banks here could have avoided a suspension money here would have been much higher in value here, than in New York. It so happens that this Institution is now in debt to the General Government for deposits which until the suspension, were uniformly drawn out in current notes and drafts on Philadelphia &c. yet now we are in almost every instant required to furnish specie or drafts on New York, at a loss to the Bank of at least eight per cent. The \$25,000 due on the note, now laying over would be thankfully received, in the notes of this Institution, or in those of any of the Banks in Maryland, or Virginia.

I should feel much obliged by your making some satisfactory arrangement with the Bank of America, in relation to the Bills of Exchange for £14,000 Sterling before you leave New York, so as to exonerate this Bank from all liability in respect of its endorsement of them.

With great respect,

Your most obed't serv't,

W. GUNTON, *Prest.*

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*Letter from Frederick County Bank.*

*Frederick County Bank, Nov. 8th, 1839.*

*Dear Sir,*

Your Letter of the 6th is rec'd.

The Directors expect payment of the Canal Bonds in New York at maturity, agreeably to the proposition submitted to them at the time it was discounted.

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