

## ANSWERS OF MR. BARNARD.—[2d SERIES.]

*Additional Interrogatories.*

1st. Did the President of the company draw bills of exchange upon Mr. Peabody without his authority, and against his instructions, and was he advised by you or other officers of the company, not to do so? And if yea—upon what ground was that advice given? State what bills, and to what amount were drawn under such circumstances? What were the consequences to the company?

*Answer.* The former President of the company, Mr. Washington, had desisted from drawing further upon Mr. Peabody, in consequence of the advice of Mr. P. to draw no more for the then present. And his letters of the 5th and 8th July, 1839, to the present President of the company and received by the Great Western and British Queen prior to the 1st August, again urged the company not to pass any more bills upon him, for reasons which he gave. In the month of August 1839, I met, by appointment, the President, at Gadsby's Tavern, in Washington, for the purpose of filling up bills of exchange upon Mr. Peabody, amount £33,000 sterling in favor of the President and Directors of the Bank of Washington, whose President (Mr. Gunton) was present. A conversation arose upon the propriety and prudence of drawing these bills in the face of Mr. Peabody's instructions to the contrary, and upon the danger of their being returned protested for non-payment, and liable to the consequent heavy damages. The President (Mr. Thomas) observed that it was Peabody's duty to accept whatever bills the company chose to draw upon him, as he had the stocks in hand to provide for them—he had only to sell the stocks and it was no business of his (Peabody's) what price they realized—and he added either that he had written, or would write to him, to that effect.

The bills thus drawn, were numbered from No. 187 to 209, both inclusive—they were refused acceptance.

If I had held such securities as the payers of these bills had, and had been a man of capital, I would eagerly have taken as many such bills as I could have obtained, especially if I could have been assured that they would have been returned protested for non-payment. For if there were margin enough in the securities, the recovery of the damages would make the operation a very profitable business.

The consequences which flowed from the whole of the unauthorised drafts on Mr. Peabody were these:—That gentleman was placed in this position—"If I refuse payment of these drafts, they will be returned with ruinous damages and destruction of the credit of the company. If I pay them, I must, to obtain means to do it, force the 5 per cent. bonds into market and lose my control of their price."