

on the 10th September, and a subsequent loan of \$26,000 was made to the company—thus fell due 3d Jan. 1840, \$10,000
 4th “ “ 10,000
 7th “ “ 6,000

These acceptances were discounted at various banks in Maryland and elsewhere, and were ultimately paid at maturity by the proceeds of bills of exchange by Christmas & Co. on their Agents, Sanderson & Co., in London, but to be paid by George Peabody—and by the sale of £14,000 sterling bonds of the State of Maryland. But as there were transfers of monies to and from Christmas & Co, from and to Elisha Riggs, and checks upon the banks in Baltimore it is difficult to identify how much of each of the proceeds, whether of the bills on Sanderson & Co., or of the £14,000 5 per cent. bonds were specifically applied to one or other of the objects. The result is the same, and twist these sums about as you will, they were all ultimately paid from George Peabody, or the 5 per cent. bonds.

Of the loan made by Elisha Riggs.—This was of a similar character as that by Christmas & Co., but limited to \$100,000—and the acceptances to be at same dates and periods.

Of this loan the third which fell due 21 Nov. 1839, was renewed by acceptances of drafts at 60 days date, which were discounted in Baltimore by the Union Bank \$20,000
 Merchants Bank 13,000

The Western Bank had also to the credit of the company the proceeds of an acceptance of Christmas & Co, amount \$6,000 discounted by said bank—and thus these banks had in their hands New York funds to the above amounts. To take up the acceptances of Mr. Riggs, due 21 Nov., the President passed his checks on these banks to Mr. Riggs for their amount. I consider that the company ought to have had the benefit of the exchange between New York and Baltimore upon these New York funds—but in lieu of this, Mr. Riggs charged the company the exchange at the former against the latter city, which with the commission of 1 per cent. on the transaction, amounted to \$2,645 91—and further, as this sum was also to be paid by a check on Baltimore, he charged the further exchange of \$377 96, making total paid to him for the operation \$3,023 67. Now deducting \$330 commission included in this sum, there remains a total loss to the company of \$2,693 67 for this mode of handling its own New York funds. The entire loan was discharged by drafts on Geo. Peabody. Checks as above stated on the Baltimore banks, the transfer of funds from Christmas & Co. and the sale between the 20th Nov. and 31st Dec. 1839, of £19,250 sterling 5 per cent. bonds, which netted clear of commission and brokerage \$58,333 41 equal to 67 3075-10000 per cent. of their par value.

ROBERT BARNARD,

ANNAPOLIS, 6th Feb. 1841.