

for *myself* should have been inserted *cashier* of the said company.

The proceeds of this sale of bills amount \$71,666 66, were remitted per-a-point direct from N. York to the commissioner at Cumberland—and were at that place familiarly known as the “*Red Backs*,” being New York bank notes thus signalized. They were disbursed there in payment of estimates due up to the 1st September.

The bills, on presentation to Mr. Peabody, were refused acceptance, as was also the order for the delivery of the £20,000 bonds and all were protested and returned to the U. S. But of these facts I knew nothing until some time after, when the President brought to me the “*memorandum*” &c., of which the annexed marked C is verbatim and literatim a copy. This “*memorandum*” shows that instead of £20,000 there were £25,000 bonds sold to the trust company to satisfy their *claim*,—and this is the only means by which I know that there were given to them an additional £5000. When, or under what circumstances, is not shown. Neither is there any trace of an agreement for a waiver of damages, except in the interlineation which appears in the original, as copied exactly, between the 9th and 10th lines. When the “*memorandum*” became the subject of enquiry by me of the President, was the first occasion of my knowing any of the circumstances attending the transaction with the trust company; or that they had attempted to sell the bonds, in a manner, and at a period, totally unauthorised by any agreement which has as yet come to my notice.—Therefore I should conclude that they were the parties from whom damages were justly due to the company if they had consummated their meditated violation of contract.

As to the communication of the President of the 10th Feb., 1840, to the Governor of Maryland, there is appended a copy of the receipt for the £20,000, marked B, while that of which A is a copy has not as yet been communicated to the Governor and Legislature, I am bound to infer, that its existence had escaped the memory of the President, or he could not have suffered himself to be screwed into a delivery of £5,000 additional bonds to the Trust Co., and then into such a sale and settlement as appears in C, the result of which is in brief, that for the use for 64 days of the proceeds of £15,000 stg. bills, he paid the proceeds of £25,000 stg. bonds of Maryland, less the sum of \$210 98 residue of the spoils.