

ent agents of the company afore named, showing particulars and terms of sales. Instead of so doing, he has given the dates of the various sales, the places of sale, the amount of bonds sold, and the terms of sale &c., as may be seen in his tabular statement appended to the letter to the Governor. His reasons for this are not known to the undersigned. He approved then and he approves now of the proceeding. Because the accounts of Messrs. Peabody, Davies, White, Christmas, Livingston & Prime, Riggs, Ingle and Thomas, could not have been set out at large, on the superficies of any sheet of paper ever seen by him. And the undersigned did not then suppose, and imagines that the treasurer did not then think that there could be any possible motive for exhibiting a transaction in which the President of the company acted as agent, otherwise than in the mode pursued towards the other agents named.

A full exhibit of the transaction with the North American Trust and Banking Company will give to it an aspect much more favorable to the Canal Company, than that which it assumes on the face of the statement prepared by Mr. Barnard, as the undersigned will now proceed to show.

Soon after entering upon the discharge of his duties, as President of the Canal Company, the undersigned made contracts with Messrs. Christmas, Livingston & Prime, and E. Riggs, of New York, binding them to accept the drafts of the company for three hundred thousand dollars, in the monthly instalments of one hundred thousand dollars, beginning with the month of July, 1839. The canal company was to be at liberty to draw for all or any part of the sum named, at the discretion of the directors. This discretionary power was reserved to the board, under a hope, that Mr. Peabody might make such arrangements in Europe as would authorise him to borrow bills of exchange to raise funds to pay the interest due to the State, and the estimates on the canal under construction. As no encouraging information was received from Mr. Peabody, and no bonds could be sold in this country, drafts for about one hundred thousand dollars in July, and for an equal amount in August, were drawn upon and accepted by the houses named, and were discounted at various banks in Maryland and the District of Columbia. Before the August estimate, which was payable early in September, became due, there was a meeting of the President and Directors of the Canal Company on the 28th of August, 1839, when Francis Thomas, President, Jas. Carroll, Jacob G. Davies, Joseph White and Phineas Janney,