

# MAINE STATE LEGISLATURE

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*Charles F. Rice*  
DOCUMENTS

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THE LEGISLATURE,

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1840.

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AUGUSTA:

WM. R. SMITH & CO., PRINTERS TO THE STATE.

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1840.

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**TWENTIETH LEGISLATURE.**

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**NO. 36.**

**SENATE.**

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**R E P O R T**

**OF THE**

**COMMITTEE ON FINANCE.**

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[Wm. R. Smith & Co.....Printers to the State.]

## STATE OF MAINE.

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HOUSE OF REPRESENTATIVES, }  
January 22, 1840. }

Mr. BENNETT of Parsonsfield, submitted the following Order :

ORDERED, That the Committee on Finance make inquiries and report to this House the value of *Note* No. 25, for ten thousand dollars, now in the Treasurer's office uncollected. Also the value of Parker & Co.'s note of December 12, 1838, for three thousand nine hundred and seventy two dollars, payable at City Bank, New York. Also the circumstances under which said notes were taken.

Read and passed.

ELBRIDGE GERRY, *Clerk.*

# REPORT.

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## STATE OF MAINE.

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THE Committee on Finance, to which was referred an order in relation to certain notes, referred to in the Report of the Treasurer, have had the same under consideration, and ask leave to

### REPORT,

That the two notes referred to in said order, were part of the same transaction. They were taken by James B. Cahoon, Esquire, while Treasurer, of the house of Parker & Co. of New York, in negotiating the loan of 1838. That house took one hundred and seventy thousand dollars of the five per cent. stock of this State, at a rate of interest, which amounted to about five and five eighths per cent. and which was better than was offered for it in the market, and to secure this, Mr Cahoon agreed to take their notes for a portion of it, until their proposed bank went into operation. The note of ten thousand dollars was dated December 12, 1838, on demand and interest, with an understanding that it should be paid on the first day of January, 1839. Supposing it paid at the bank where it was sent for collection, Mr. Cahoon returned it as cash on hand. He gave an order to Mr. Goodwin, the late Treasurer, for the amount, on the cashier of the Wool Grower's Bank, where the note had been sent for collection. It

was not paid. The correspondence in relation to these notes, and the remarks of Mr. Goodwin, are herewith annexed, and referred to as part of this report. It is impossible to say what the value of the notes is, depending as it does upon the success of Parker & Co. in winding up their business, which is now in an embarrassed condition, as appears by the correspondence.

JOHN OTIS, *Chairman*

## CORRESPONDENCE.

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[Copy.]

“*Wool Grower’s Bank of the State of N. York,* }  
NEW YORK, 30th Jan’y, 1839. }

“JEREMIAH GOODWIN, Esq.

Treasurer of Maine, Augusta:

*Dear Sir*—Your favor of the 23d inst. is received, annexing J. B. Cahoon’s order in your favor, for the amount of Parker & Co.’s note for ten thousand dollars, and interest from the 12th December, 1838, remitted to this Bank for collection.

The note remains as when I last wrote your predecessor—when paid it will be passed to your credit, of which you will be forthwith advised. The multiplicity of applicants at the Comptroller’s office to get Bills countersigned, has prevented this Bank, as well as others, from going into such active operation, as the receipt of the Bills for circulation would enable us to do. None have yet been obtained, although they have been at that office ready for signature about a month.

Resp’y yours, &c.

M. W. WHITMAN, *Cashier.*

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The above is a true copy of the original letter received by mail, early in February, 1839, from the Wool Grower’s Bank at the city of New York.

(Attest)

JEREMIAH GOODWIN,  
*late Treasurer of Maine.*

February 5, 1840.

[Copy.]

"NEW YORK, March 6, 1839.

"JEREMIAH GOODWIN, Esq.

Treasurer of the State of Maine :

"*Dear Sir*—After you left here on Monday, we found it impossible to renew our loans on stock, and found ourselves compelled to pay up, or submit to a sale which would have been ruinous to us. Under these circumstances, we thought best to allow a *protest* on the note due to the City Bank, [for \$3972, and interest from December 12, 1838, to March 4] rather than suffer a heavy actual loss.

By taking this course, the security of the State of Maine for the payment of the balance which we owe them, is better than it would have been otherwise ; and we believe we have ample, and more than ample, if we do not sacrifice it.

But it is absolutely necessary that the knowledge of the *protest* should be confined to you and to the City Bank, (of which I have taken care here) otherwise we shall be disabled, for a very long time, from making any negotiations to advantage. We are willing to give every satisfaction, but cannot submit to making heavy sacrifices for the sake of promptness, for that course we have always found to result unfortunately. Will write you again in day or two, when we see what may be done.

Resp'y your ob't serv'ts,

PARKER &amp; CO.

The foregoing is a true copy of the original, received by mail at office early in March, 1839.

(Attest)

JEREMIAH GOODWIN,  
*late Treasurer.*

February, 1840.



[*Copy.*]

“NEW YORK, February 23d, 1839.

“JEREMIAH GOODWIN, Esq., Boston :

“*Dear Sir*—The cashier of the Wool Grower’s Bank has handed us your letter of the 21st, from Boston, and desired us to reply to you at Boston, and explain our intentions with regard to the note of \$10,000, on demand, held by said Bank for collection.

The Stock we received from your predecessor, we placed in several of the new Banks going into operation in this city. The delay which has been experienced by the Banks in getting their notes of circulation, has been a great disappointment to us in obtaining that accommodation which we expected ; and our means, in consequence, remain locked up in them.

*We expected to have paid that note before now*, but under the circumstances of the case, we think best to propose to you, that as there will be \$8,500 interest due on the first day of May, on the stock held and disposed of by us here, to allow that note to remain on interest till that time, and we will pay the interest *here*, and forward to you the Comptroller’s certificate of its having been paid.

“There are two other notes,”—(each dated Dec. 12, 1838, for \$3,972, due the 1–4 of March, and 1–4 of April, which will be promptly taken up when due. We do not see what we can do better at the moment ; and the accommodation will greatly oblige us.

The delay in signing notes for the new Banks, in the Comptroller’s office, has been much increased of late by the change of officers in the Department. The time for several weeks, as we are informed by the deputy Comptroller himself, having been taken in arranging accounts, &c., preparatory to that change.

Mr. Whitman, Cashier of the Wool Grower's Bank, wrote you not long since at Augusta, and requests me to say that, having made this explanation ourselves, he deems it unnecessary to reply himself to yours of the 21st inst.

Your ob't servants,

PARKER & CO."

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The foregoing is a true copy of the original letter addressed to me at Boston, to which no written reply was given, because I arrived in New York and saw Mr. John A. Parker, the writer, on the 26th February, 1839, and continued to see him till afternoon of March 2; during which time he promised to pay the note for \$3,972 and interest, due March 1, 1839. It was not however paid while I remained there, and it was *protested* for non-payment at the City Bank, where payable, on March 4, 1839. The other note due April 1, 1839, for \$3,972 and interest from December 12, 1838, was by me, as Treasurer, conditionally endorsed to Mechanics' Banking Association at New York, March 1, 1839. Efforts were made at the same time, to procure payment of the ten thousand dollar note. Promises were made to pay it soon, or to pay the interest, \$8,500, on our Stocks held in that city; neither of which has been performed.

I have seen Mr. Parker in New York, in May, June and July, 1839, and renewed and repeated efforts were made to procure payment, but without success. Since leaving New York in July last, several letters have passed between us upon the subject, and a copy of my last letter to him is hereto annexed. Attest,

JEREMIAH GOODWIN, *late Treasurer.*

[*Copy of Treasurer's letter to John A. Parker.*]

“ SANFORD, Maine, Nov. 27, 1839.

“ JOHN A. PARKER, Esq. }  
 Merchant, New York. }

*Dear Sir,*—Your letter of the 25th instant, forwarded from Boston to Alfred, and thence hither, has reached me this evening. I am gratified to learn that you are making, and will continue to make efforts to pay the notes of John A. Parker & Co. to the State of Maine; and it is sincerely hoped I shall be spared the necessity of alluding to their non-payment in the annual Treasury Report to the Legislature.

The reasons why I have not exchanged the \$20,000 Stock in the Comptroller's office, as requested in your respective letters of July 17, October 26, and 2d, 9th and 25th inst., are assigned in my replies from Boston, July 24th, and the 6th instant; to which I will now add, that I have no exchange certificates with me, and if I had I should be unwilling to incur the *risk* and *expense* of transmission by mail of \$20,000 Stock, to and from Albany.

I will forthwith exchange it, on presentation at the Office, where I shall be in a few days. If you will authorize the Comptroller to transmit the Stock to the Office in Augusta, free of expense, the exchange Certificates, with coupons attached, shall forthwith be returned to his order. Or, if practicable on your part, I will receive fifteen thousand dollars of our five per cent. stock, at par, (you giving up the interest from May 1,) and pay you therefor in your notes, and the balance in cash. If you have not paid, you must pay, your note for \$3,972, and interest from December 12, 1838, to the Mechanics' Banking Association, and furnish me with evidence of its payment. For the two remaining notes, amounting, interest included, to about

\$14,900, I will take five per cent. Stock, at par, as above proposed.

Respectfully,

Your obedient servant,

JEREMIAH GOODWIN,  
*Treasurer of Maine.*"

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AUGUSTA, February 5, 1840.

I hereby certify, that the preceding is a true copy of my last letter to said John A. Parker, to which he replied under date of December 7, and a copy of his answer is herewith submitted.

Attest,

JEREMIAH GOODWIN,  
*late Treasurer of Maine.*

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"NEW YORK, Dec. 7, 1839.

"JEREMIAH GOODWIN, Esq., }  
Augusta, Maine. }

*Dear Sir,*—I have your favor of the 27th ult. from Sanford. The proposition you make of receiving Maine Stock at par, for my notes, is a very liberal one. The difficulty in complying with it, is that I have not the means of relieving the Stock of my indebtedness upon it, otherwise I should embrace your offer with alacrity.

I do not think that I can persuade the Comptroller of this State, to send the Bonds he holds, to Augusta to be exchanged. His objections, I think, are reasonable. In the first place, he says if he parts with the security in his hands, and the Bonds should be lost, he renders himself personally liable. In the second place, if the present Bonds were lost, payment to be sure might be stopped; but new ones could not be recovered without a special act of your Legislature for that purpose; and then he would

have no security in his hands,—whereas, should you send him new ones, and they were lost before coming into his hands, they might be immediately cancelled, by your advertisement of them. You can further, if you please, make them payable to his order, so that, if they were stolen and negotiated, it would not avail the purchasers any thing. I would gladly pay the expense of sending a messenger with them, rather than not have them exchanged, if that were necessary, provided it could be done immediately, and Bonds of \$1000 each, substituted for the present.

I would also suggest that as all the others have been exchanged during the current year, it might not do so well to exchange them after its expiration; and perhaps the resolution of the Legislature, authorizing the change, might not reach beyond the current year.

I regret the great trouble which my business has been to you, but it has been unavoidable on my part. I hope you will continue to view it charitably.

Respectfully your ob't serv't,

JOHN A. PARKER."

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A true copy of the original letter, the last received.

Attest,

JEREMIAH GOODWIN, *late Treasurer.*

February 5, 1840.

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*Office of Discount and Deposit of the Wool  
Grower's Bank of the State of New York,  
New York City, January 2, 1839.* }

MR. JAMES B. CAHOON, Augusta, Me.

*Dear Sir:*—Yours of the 12th ult. inclosing the note of Messrs. Parker & Co. for \$10,000, dated 12th December, 1838, on interest, is received.

Owing to an alteration in the time of the mail between

this place and New Haven, and yesterday being a holyday in this city, has prevented a reply until to-day.

Messrs. Parker & Co. have not paid the note, but solicited a loan and certificate of deposit of this Bank to meet the same, which it would be inexpedient to grant until an amount of bills for circulation are countersigned at Albany, and received for the general purposes of business; they have paid into the Bank ten thousand dollars five per cent. stock of the State of Maine, with the understanding that they shall have the first facilities it is enabled to grant, for the purposes of paying said note.

You are aware that this association has been formed recently, and that the new law presents some impediments to getting into active operation speedily, but you may rely on our best exertions to do so, and also to grant Messrs. Parker & Co. the accommodation desired, at the earliest day practicable.

Yours, &c. respectfully,

M. W. WHITMAN, *Cashier.*

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NEW YORK, Nov. 25, 1839.

JEREMIAH GOODWIN, Esq. *Treasurer of Maine.*

*Dear Sir* :—Since my last to you I have been making every effort in my power to do something towards the payment of my notes to the State of Maine, but the very extraordinary condition of things which now exist, and have continued for a long time past without alleviation, taken along with the fact that I hold so large an amount of stocks, have rendered it impossible. If I were to sell stocks at present it would not place me in funds, as they would hardly sell for the amount borrowed upon them;

and to borrow money here now, at any rate, is out of the question. I am aware of the propriety of paying something, if possible, before you make your report to the Legislature, and am as anxious to do it as you can be to have me, but cannot under present circumstances. I hope you will not find it necessary to embrace the facts in your report, any further than simply to return my notes as bills receivable on hand. I wait for nothing but a change in the market, which will bring stock to a fair value, to enable me to redeem all my promises.

Not having heard from you since I last wrote you as President of the Wool Grower's Bank, in relation to the change of the certificates in the Comptroller's hands, I am induced again to solicit your immediate compliance with that request, and hope you will not deny it. As it is uncertain whether this may meet you at home, I have directed it under cover, to Mr. Cahoon, and sent a copy directed to you at Boston.

Respectfully, your obedient servant,

JNO. A. PARKER.

P. S. I am very desirous that if you exchange the stock as desired, that you should give us certificates of \$1,000 each. I see no reason against it, and I have written to Mr. Cahoon explaining the advantage it will be to the Bank, and to me.

## STATE OF MAINE.

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The Committee on Finance, to which was re-committed an order in relation to certain notes in the Treasury, and the report of the Committee thereon, have had the same under consideration, and ask leave to report the following additional facts :

The five per cent. Stock at ten years, bearing date May 1, 1838, was sold to the house of Parker & Co., at ninety dollars on the one hundred, payments for which were made as follows, viz :

August 13, cash,	\$69,500 00
October 5, “	25,000 00
“ 9, “	10,000 00
Nov. 5, “	20,000 00
Dec. 1, “	8,000 00
“ 12, in notes,	20,500 00
Interest,	444 02

Making the amount received, \$153,444 02

The accumulated interest to the time of payment from May 1, was allowed to the purchasers, excepting on the \$48,500 paid in November and December, on which they paid the interest from October 1, amounting to \$444 02.

JOHN OTIS, *Chairman.*





# STATE OF MAINE.

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HOUSE OF REPRESENTATIVES, }  
March 13, 1840. }

These Reports were read and laid upon the table, and 300 copies, with the accompanying papers, ordered to be printed for the use of the Legislature.

[Extract from the Journal.]

ELBRIDGE GERRY, *Clerk.*