

IN SENATE OF THE UNITED STATES.

JANUARY 24, 1840.

Ordered to be printed.

Mr. HUBBARD submitted the following

REPORT :

The Committee of Claims to whom was referred the memorial of George Whitman, asking compensation for the aid and responsibility afforded by him to Government agents in 1836, in raising money for the use of the United States, report :

That at the commencement of the war with the Creek Indians in Alabama, in 1836, the troops assembled at Montgomery, under the command of Governor Clay, till the arrival of General Jesup. The petitioner was a resident and merchant at Montgomery, in extensive business and good credit. He was also a director of the Branch bank of Alabama, located there. The quartermaster of the troops was in need of funds, and he drew on the quartermaster-general, in favor of Mr. Whitman, and of "Whitman & Hubbard," at various times, to an amount exceeding \$300,000. These drafts were endorsed by Mr. Whitman or "Whitman & Hubbard," and discounted at the Branch bank. The law of the State requires two endorsers on paper discounted at the bank, whether drawn by Government agents or private individuals.

That the endorsements of Mr. Whitman and his partner Hubbard, and the influence of the former, as a director, were beneficial in the procuring of money to facilitate the operations of the troops, is not doubted; and it is equally evident that the endorsers suffered no loss, and were put to no inconvenience whatever in consequence of said endorsements by failure of the drawee to honor the drafts. Nor was there any stipulation or understanding that either Mr. Whitman or the firm should receive any compensation for such endorsements, for the very obvious reason that they run no risk on their liabilities.

There may be another reason, also, which seems at least probable. Mr. Whitman was a contractor to supply rations for the troops, at the time. We have not any evidence before us of the terms of that contract, but the discount of these drafts at the bank was probably equally as beneficial to the endorser as the drawee, most of the money doubtless going into the hands of the endorser, who was the contractor for furnishing supplies at the same time. If he used his influence, as director, to procure these discounts, there is no evidence but it was as beneficial to the bank to make them, and to him that they should be made, as it was to the Government. As there was no agreement or assurances for compensation in this transac-

