order to prevent its detection, to use the bonds which were deposited with him for collection; a large amount of them was withdrawn from the usual course, and the amount collected by Mr. Swartwout. From this arises the principal deficiency in the bond account.

"*In regard to the amount of* [*the*] *defalcation, Mr. Ogden stated that in one of his conversations with Mr. Swartwout last summer, he* (*Mr. Ogden*) *told him that it could not be less than $900,000, but Mr. Swartwout said he did not think it exceeded $600,000.*

"*In reply to our inquiry as to what had become of the money, Mr. Ogden said that he was totally at a loss to conceive how such a sum could have been exhausted;* that Mr. Swartwout had been a large speculator in stocks for several years, and that he had known his operations in them to amount to some hundred shares a day; that he had been a loser for a large sum by the failure of the Josephs, to whom he knew of his actually loaning $25,000 a day or two before their failure; that he had made immense purchases of lands in Texas, and that he also had heavy interests in the Cumberland coal lands. IT DID NOT APPEAR, HOWEVER, THAT MR. OGDEN COULD ACCOUNT FOR AN EXPENDITURE SO LARGE AS THE ASCERTAINED DEFALCATION.

"In reply to our inquiry as to Mr. Swartwout's property, *Mr. Ogden stated his inability to give a particular account of it.* He said that *the funds in bank, known to him, did not exceed $29,000;* that there was a house in this city; *land at Hoboken, on which there was an encumbrance of about $50,000, but which he thought worth $100,000 more; that there was besides some land in Illinois, the Cumberland property, and the property in Texas.*

"Mr. Ogden then stated that he had a full power of attorney from Mr. Swartwout, UNDER WHICH HE WAS DESIROUS TO ACT AS UNDER THE CIRCUMSTANCES OF THE CASE HE THOUGHT HIS DUTY REQUIRED, AND MR. SWARTWOUT HIMSELF COULD NOT OBJECT TO.

"*He stated that probably Mr. Swartwout would return in the steam-ship expected next week; that he had written urging him to do so, especially on his being apprized* that the sureties had received notice from the comptroller that the accounts had not been rendered; *that, although he had no direct assurance of his intention to return,* HE THOUGHT IT MOST PROBABLE HE WOULD DO SO. He assured us that in the mean time no measures should be taken under his power of attorney to interfere with the claims of the United States; and *he finally agreed to transfer to them, under that instrument, the property of Mr. Swartwout, and offered to meet us on the following day for that purpose, at the office of the district-attorney.*"

The indefinite character of the cashier's assertions and explanations disclosed by this letter is most remarkable. Each of his statements contained in