

their acts and proceedings, and of their past and future policy; which at a meeting on the 13th instant was adopted, and has been transmitted to the Governor.

A copy of that exposition I am instructed to communicate to you, as affording for the most part a full answer to the order of the House of Delegates, and frankly and without reserve, disclosing the acts and motives and intentions of the board in regard to the matters embraced in it.

From that exposition it will be perceived,

First. That the company has not only not entered into the system of hypothecation referred to in the message, but has not hypothecated one of the State bonds committed to them; that by the contract with Messrs. Baring, Brothers & Co., they have precluded themselves from the right of doing so, until after February next; and, in fact, that they have not even introduced the bonds into market below their par value.

Second. That in order to avoid the necessity or temptation either to sell the bonds at a reduced price, or to use them for the purpose of raising money in any manner whatever, they have taken measures to comply with all their engagements by means of the stock of the city of Baltimore, not saleable in the foreign market, at its par value; thus fulfilling the reasonable expectations of the city, and reserving the sterling bonds of the State for their appropriate market when they may be disposed of to advantage.

The contract with Messrs. Baring, Brothers & Co. is contained in a letter from me to that house of the 12th of October, 1839, and in their answer of the same date. These letters I have the honor to transmit herewith; and they will be found to correspond in all respects with the views contained in the exposition of the board in the annual report of this company, and in this answer; and will fully disclose the terms of the contract, embracing commissions and allowances, called for by the order of the House of Delegates.

Upon the views disclosed in the exposition, and the frank avowal of the only contingency in which they contemplate any use of the sterling bonds given them in payment of the State's subscription, the board may with confidence rely not less for the approbation of the Legislature, than for that of the city of Baltimore, whose prosperity is so essentially dependent upon the vigorous prosecution of this great enterprise.

As the order of the house, however, requests "any other information which I may deem necessary for the proper understanding of the expediency of the contract with the Barings," I will take the occasion to add some observations, relating more particularly to my personal acts and motives, in the discharge of the agency with which I was entrusted.

The considerations which induced the directors to solicit my agency for the disposal of the sterling bonds are fully stated in the exposition. I unaffectedly believed they overrated my ability