

Peabody, directing him to hand over to the agent of the Banking Company in London, £20,000 in Maryland 5 per cent. sterling bonds, to be held as collateral security for the payment of the bills at maturity, and to be sold if the bills were not punctually paid when due; at the same time, the undersigned handed to the banking company, other \$20,000 of the Maryland 5 per cents. to be retained at New York, and to be returned as soon as information was received that Mr. Peabody had delivered the £20,000 in London, in pursuance of the order on him.

The bills were sent out and were protested for non-acceptance, and the order on Mr Peabody for £20,000 was dishonored also, by the agent of the Canal Company. This refusal to accept both the order and the bills, made the sale of the bonds in New York unavoidable.

Immediately upon the return of the bills, under protest, the £20,000 left with the banking company were advertised for sale in New York. And a claim for damages on account of the protest of the bills was made against the Canal Company. The whole matter was submitted to the board of Directors of the Canal Company, when an order was passed, authorising the President to settle the claim of the Banking company by a sale of Maryland sterling bonds at 75, or in such other mode as he should find practicable. The undersigned went immediately to New York, and then made an effort through intelligent agents to make sale of a sufficient amount of the bonds on the terms mentioned in the order of the board. This was found to be absolutely impossible. The bonds were offered to Messrs. Prime, Ward, King and Company, to Messrs. Christmas, Livingston, and Prime, to Mr. E. Riggs, to the bank of New York, to the bank of America and to other banks and bankers, who severally declined to become the purchasers, on terms that could be possibly submitted to.

Thus circumstanced the undersigned had an interview with the President and Directors of the North American Trust and Banking Company, and prevailed upon them to become the purchasers of the £20,000 hypothecated, and of £5,000 besides, on the terms mentioned in the account hereto appended. From that account it will be seen, that the banking company waived its claim to damages for protest and consented to have the January coupons cut off of the bonds. The undersigned did not then, and does not now consider it very material in deciding upon the terms of sale to inquire, whether damages for protest for non acceptance could be legally claimed. Damages for protest for non-payment could certainly be recovered. And as there was then no reason to believe that the bills could be paid by Mr. Peabody at maturity, a short time would have to elapse before the banking company it was reasonable to suppose would have a claim against the Canal Company for \$83,393 34 as follows: