

its bonds except when you sold your own, and in a *pro rata* proportion, at the same price at which yours were sold.

If such be not the true meaning of the understanding entered into between yourselves and the company, through the intervention of its agent, Mr. Peabody, we are at a loss to comprehend the benefit that could accrue to the company from the *pro rata* arrangement, inasmuch as at the very time when it was entered into, it was agreed that *advances* should be made on the bonds at 65 in the £100 capital. How, indeed, could forced sales be made at the loss of the company except to pay advances upon drafts? If the company did not receive advances there could be no motive *in forcing sales*, and no ground or excuse for compelling them, and it was to guard against the alternative, the very predicament in which the company is now placed, when the bonds are at a great and unjust depreciation, and balances are due upon advances, that the stipulation was made against forced sales, except upon the terms and under the limitations we have mentioned.

It is true that Maryland bonds are now at a great depreciation, growing mainly out of the failure to *collect efficiently* the tax which was laid by the Legislature of 1841, to pay the State debt, and for the same reason the July instalment of interest failed to be paid, but there is still an unquenchable determination in the bosoms of the people of this State to sustain its faith, and we have no fears of the ultimate result. The present Legislature will certainly adopt such amendments as will effectuate the due collection of taxes, and will also probably pass a law to authorise the receipt of coupons of the State bonds, and certificates of interest due on State stock, in payment of the taxes, which will at once stamp them with credit, and enhance the value of State stocks in this market. These reasons, together with others looking to the completion of the Chesapeake and Ohio Canal, to say nothing of the movement now being made in Congress in relation to the providing of means to pay off State liabilities, must in a short time greatly raise the price of the Maryland bonds, both in this country and in Europe, and we therefore feel bound respectfully to decline the proposal of selling to you the bonds in your hands belonging to the company, at the half price mentioned in your letter, or of assenting to a sale of them at all under existing circumstances. The Legislature of Maryland is now in session and will not adjourn until the 10th of March. Most of the measures of importance will probably be delayed until the latter part of the session, and you therefore do not, as you state, by requiring an answer by the steamer of the 1st of February, "give us the advantage which may arise from the measures of this Legislature during the present session" to offer to you the terms of a settlement. Relying therefore upon the desire which you have expressed, "to consult the interests of the company," we in conclusion, ask of you to postpone all measures in relation to the sale of the bonds until after the close of the session alluded to, when we will probably be better able to propose a mode of adjusting our accounts