

to effect the loan in Europe, there being at the time in market, and all below par, a large amount of direct six and five per cent. stock, of several of the States, none of the six per cent. stocks exceeding 98 or 99 dollars to the hundred and the most favored of the five per cents. at less than 90, and some of them much below; the principal of some of which, and the interest on all payable in Europe, and on some in sterling money. Whereas the premium required on the proposed loan by this State, tho' nominally a six per cent. stock, reduces it in effect to something less than a five per cent. stock, and that getting worse every day, as the time of redemption approaches, as the premium is never to be returned. But that whatever a six per cent. or direct five per cent. stock of this State might otherwise have commanded, Maryland stocks being generally preferred, particularly in Holland, the omission or refusal to pay the interest on the existing loans in specie or its equivalent, had the effect as soon as it was known in Europe, to impair the credit of the State, and to reduce the price of its stock, then afloat in market, 3 or 4 per cent. and would alone, in the opinion of the undersigned, have operated to prevent the accomplishment of the contemplated new loan.

The undersigned take the liberty here to suggest, that judging from their various communications with European dealers in stocks, the offer of a six or direct five per cent. stock of the State, with the interest made payable there in Sterling money, would have been favorably received; and that they have good reason to believe, that a three per cent. stock, with the interest payable therein like money, might have been readily and advantageously disposed of, certainly before information had been received of the refusal to pay the interest on existing loans in specie or its equivalent.

They beg leave further to report that when in London, they received a proposition from the Eastern Shore Rail Road Company, for taking one million of the loan, on the terms of the contracts with the Baltimore and Ohio Rail Road and Chesapeake and Ohio Canal Companies, being the amount authorised to be subscribed on the part of the State, to the capital stock of that company, and that at the time of entering into the engagements with the Baltimore and Ohio Rail Road, and the Chesapeake and Ohio Canal Companies they were (without sufficient reflection) disposed to make a similar contract, with that company. But that on more full consideration they declined doing so, on the ground that in their judgment, there was nothing appearing sufficient to show, that the interest of the State would thereby be promoted, not being advised of any expenditure by the State, or stake in the institution, requiring to be protected, to save the State from loss, which in their opinion presented a clear distinction between the connexion of the State with that company, and its relative condition to the Baltimore and Ohio Rail Road and the Chesapeake and Ohio Canal Companies. Besides, that circumstances came to the knowledge of the last named of the undersigned, which he communicated to the first (connected with the organization and condition of the Eastern Shore company) that seemed to them to require being corrected or