

make such an enormous anticipation of sales, as I hope will ensure the moderate and steady pro-
-execution of the work with which I am connected."

In the same letter he says "I am sorry to say too, from the situation in which the bonds sent forward by the canal company have been put, it is impossible to be apprehended; that these bonds will yet be sold at even lower prices than have yet been quoted; but until the necessities of the work with which I am connected are more urgent than they have been, I can not consent to assist in placing the credit of the State abroad so low."

In a letter of the 23^d Sep-
-tember, after speaking of the causes which raised the rate of interest and depressed the price of stocks, he says: "in addition to these causes, the immense amount of American securities of al-
-most every description, both of State and private corporations, including banks in the foreign markets, and the necessities of many of the holders, which obliged them to sell at almost any price, exerted a powerful influence in depressing their value. The bonds of the State of Maryland were of course affected by these causes, and they were especially depressed in consequence of the forced sales which some of the holders of the sterling bonds were compelled to make, although in small quantities at very reduced prices. A considerable amount of Maryland sterling bonds were understood to be in this situation, and awaiting sales at even lower prices."

After stating the probable difficulty of making sales for some years to come, he goes on to say, "I then felt it an imperative duty upon me to place the stock in my hands, in a train of sale, when circumstances should render it expedient and practicable; and looking to the interest of the rail Road Company and the credit of the State, my great desired was, in the mean time to secure two points:"

"1st The advance of such an amount of capital as the necessities of the company might require; and second to secure such an agency as would be able to sustain the credit of the State, and in the event of sale, to raise the best price for the stock: Under the circumstances in which I was placed, I found the establishment of an agency even without the obligation to make advances, a matter of difficulty."

I have underlined such parts of the foregoing extracts as show that the company had entered into the system of hypo-
-thecation which had been so disastrous to the credit of the State; and that "for some time before the bonds were sent to England, the scarcity of money and the abundance of American securities, and their rapid fall in value made it impossible to effect a sale, or negotiate a loan on reason-
-able terms; and the introduction of so large an amount of Maryland stock into foreign markets under such circumstances, and for so slight an inducement was calculated to sink more deep-
-ly if possible, the credit of the bonds which had been unfortunately pledged by the canal com-
-pany."

In the face of all the facts herein exhibited and of the proofs derived from the report of the finance committee, the agreement with the Drainage and the letters of Mr. Malone, the company now asserts that though the channel by which it pleased the Governor to seek his information of the af-
-fairs of the company, he have obtained all the facts, it will appear not only that no attempt at hypothecation has been made, but that up to this time, the acts of the board negative the id-