



ties, there is no prospect of selling the State or City bonds, without such a loss, as would materially diminish the resources of the company.

The President of the company went to England in September, with full power conferred upon him by the board of directors, to sell or pledge the State bonds; or to make such arrangements for their future sale or hypothecation, as he might deem most advantageous to the parties concerned. In the execution of this trust, he deposited the bonds with Baring, Brothers & Co., who agreed to become the agents of the Rail Road Company on the following conditions: They are to sell the bonds at certain prices, and to charge certain commissions, and are to allow the company, after next February, to draw upon them for ten thousand pounds sterling a month, under the limitation, that their advances are never to exceed forty thousand pounds at any one time. They are at liberty to sell as much stock, as may be required to cover these advances, without any restriction as to price or time. After thus reimbursing themselves, they are to permit the company to draw in like manner for similar sums; and this operation may be repeated, till the bonds are all forced into the market for the payment of temporary loans. 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 reasonable 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 deeply, if possible, the credit of the bonds which had been unfortunately pledged by the Chesapeake and Ohio Canal Company. In making this arrangement with the Barings, the Baltimore and Ohio Rail Road Company has entered into the system of hypothecation, which has been so disastrous to the credit of the State; and, in entering into extensive operations, without money or the certainty of raising it, has abandoned the prudent and cautious policy which has generally characterised its proceedings.

The State subscription and loans to the Baltimore and Susquehanna Rail Road Company amount to 1,352,000 dollars, besides the loan of 750,000 dollars, authorised at the last session. The last loan was granted to enable the company to pay its debts, and finish the road to Wrightsville, and thus form a connexion with the Pennsylvania works. The Commissioner of Loans, who was directed to sell the bonds issued for this purpose, has applied a small portion of them to the use of the company, and has retained the rest in his hands, because they could not be sold without loss. As the company could derive but little advantage from this loan, for which it had consented to important modifications of its charter, it made an arrangement with the city of Baltimore for the loan of city stock, to a sufficient amount to complete the road to Wrightsville, which is expected to be in operation next spring.