

mence on the 1st of April, the last bill would not mature before the 1st of September, 1840; and I would not and do not doubt, that before that period the state of the market will authorise the sale, at a proper price, of an amount sufficient to dispense with any further advances. It must, I think, be also evident to the committee and the House, that the advances secured are not only moderate, but so guarded as to make it the interest of the agents to avoid any sacrifice of the bonds for their reimbursement.

Independently of these considerations, there were other expedients, by which even these moderate advances might not only be considerably postponed, but altogether dispensed with.

The first of these consisted in reducing the monthly expenditure upon the line of the road, so far as to husband for a longer time, the resources derived from the city subscription.

Accordingly, as soon as I became acquainted with the condition and prospects of the money market abroad, as early as the 19th September, I addressed a letter from London to the president pro tempore, of the company, frankly limiting his expectations to the actual state of affairs.

Among other things my letter states that, "from a view of the present condition of affairs here, and from the best judgment I can form of the future, I beg to say that it becomes not only expedient, but indeed necessary, that the company should, as far as possible, limit its operations. I have no hope that the whole of our portion of the stock, in whatever hands I may succeed in placing it, can be advantageously disposed of in less than two or three years."

Pursuant to the recommendation of this letter, all operations west of Cumberland were promptly discontinued: the expenditure on the work between Harper's Ferry and Cumberland was considerably reduced; and immediately on my return to the United States, orders were issued to reduce the expenditure to an amount not exceeding \$40,000 per month.

Another expedient, by which I hoped to dispense with the advances, was that already adverted to, as forming an important inducement for going abroad, of rescuing the other bonds of the State from the peril to which they were exposed, and of uniting the whole under the same management, whereby they might be gradually disposed of at a reasonable price.

To this object my earliest efforts after my arrival in London was directed. In the expediency of this measure, the agent of the canal company fully concurred, and he also concurred in the preference due to the house of Messrs. Baring, Brothers & Co. To effect the object, we jointly negotiated with that house; and that I might contribute all in my power to accomplish it,—so important did I deem it to the credit of the State,—I agreed, that the canal company should receive the entire amount of sales up to the month of April, and, subsequently to that period, that the companies should share in proportion to their respective interests. If the success of the negotiation had depended upon such a con-