

ation 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 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 canal company."

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 Barings, and the letters of Mr. McLane, the company now asserts, that, "if through the channel by which it pleased the Governor to seek his information of the affairs 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 idea of even using the option to draw for advances." And that "the action of the board was characterised by a remarkable concurrence of opinion in the propriety of *abstaining from the use of the State bonds.*"

The action of the board which is relied upon as presenting so remarkable a concurrence of opinion, was the adoption of the scheme of issuing certificates founded on city stock; the rejection of the amendment offered by Mr. John White, and the refusal to sell a part of the State bonds to the Seneca Bank of the State of New York. These proceedings show, that while the company still depended on the advances from the Barings, they were anxious to avail themselves, as speedily as possible, of the city subscription; that it was opposed to the proposition of Mr. White for applying the State and city subscriptions, in equal portions, to the construction of the road throughout the whole line; and that the offer of the Seneca Bank was not as favorable as the arrangement with the Barings.

But the company now assumes a new ground for the mission to England, which is distinctly laid down in the following passage: "The necessity of this exposition becomes the more important at this time, because the company, by opening a negotiation abroad for the disposal of the State bonds, has not only assumed the responsibility of guarding, so far as a discreet use of these funds may imply that obligation, the credit of the State in foreign countries, but in an equal degree, has imposed upon itself the duty of preserving the value of such of the State bonds as may have, through other channels and for other companies, been already made the foundation of advances to our own citizens."

The exposition also sets forth, "that the course pursued by the company in these transactions, so far from sinking more deeply, if possible, the credit of the bonds pledged by the canal company, has on the contrary, elevated the credit of these bonds, is apparent from the fact that this company has actually set a limit on the stocks in their possession much above the present market