



The arrangement was thus concluded under the authority of the board, and does not require their further ratification.

We have the honor to submit also copies of an order of the board of 5th June last, of the report of the committee on finance of the company, of the 3d July last, and of the proceedings of the board upon the three several propositions therein recommended, and also a letter from the chairman of that committee, to the President, under date of 7th September last.

These documents shew the precise nature of the agreement, as well as the authority under which it was made, and the motives governing the board.

They also shew that in the beginning of the summer of the present year, the board of directors, however deeply impressed with the importance of recommencing and prosecuting with vigor, the undertaking with which they were entrusted, in accordance with a policy strongly avowed by the State, in the several acts, making and variously modifying their very extensive subscription to the work, had no other permanent and yet available means to resort to for the purpose, than the State's subscription and that of the city of Baltimore, each for \$3,000,000.

In addition to this the peculiar state of the money market rendered the efforts of the board and of the finance committee of the city, to dispose of either of those funds, in this country, entirely unavailing. They were consequently driven while they negotiated a temporary loan, by way of an advance on the city's instalment, from the banks of Baltimore, for the expenditures immediately in prospect, to turn their attention abroad for larger and more permanent resources.

Even this endeavor presented difficulties of no ordinary character; but the board did not on that account, feel justified in omitting any exertion in the prosecution of a work, which the State itself had wisely and generously lent every effort to accomplish.

If indeed, there had been no extraordinary impediments in the way, the company might easily have disposed, in Europe, of sterling bonds, bearing an annual interest of five per cent, and based on the unsullied credit of the State; but from the straightened condition of the money markets abroad, they were now aware, that to succeed in disposing of funds, even of that character, to an amount so large as would be ultimately requisite, would require talents, for subjects of finance, of the highest order, united with a standing and weight of character in England, such as few men possess.

This induced, the board by a unanimous vote, to invite Mr. McLane, the President of the board, who had been called to that station, from a universal confidence in his character and abilities, and who had the advantage of being extensively known both here and abroad, to undertake the agency of the negotiation.

The invitation was accepted by Mr. McLane, who proceeded to England in August last, and although it was impossible, under