

in its usual state, the demand would have been greater, and the rate of interest higher than it was prior to 1836.

In addition to these causes, the immense amount of American securities of almost every description, both of states and private corporations, including banks, in the foreign market, 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, effected 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 the Maryland sterling bonds were understood to be in this situation, and awaiting sales at even lower rates.

I did not feel warranted, under these circumstances, from a just regard to the interests of the company, or to the honor and credit of the state, to bring the bonds committed to me into the market, but was induced to take another course, by which I hope to subserve both.

I am persuaded, from all the observation I made, that the time for large operations in American securities has passed away. The general causes of the high value of money in England, will not be of short duration, and the quantity of American stocks continually in the market, and pressed with every influence which each state may be able to exert, will hereafter render their sale a work of time and labor. States and corporations must be content to have them disposed of gradually, when it can be done to advantage, and to regulate their works accordingly.

I therefore 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 desire 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 2d, to secure such an agency as would be able to sustain the credit of the state; and, in the event of sale, obtain 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 had no agencies of this kind refused, lest they might interfere with other engagements. The difficulty was to procure a house of acknowledged ability and influence to receive bonds belonging to the rail road company on sale at limits to be fixed by me, while so large an amount of similar bonds were known to be forced upon the market at lower rates. Under such circumstances the agency would have been not only barren, but might be prejudicial to the character of the house undertaking it.