

peremptorily refused to the canal company, and notice is given in some of them, that the six per cent. bonds which they then held, would be sold at public auction, unless the debts for which they had been hypothecated, were promptly paid. . To avoid if possible, proceedings so disastrous, and to keep if practicable, all the sterling bonds in the hands of but one party, the president determined, and this determination was sanctioned by the board, to forward a large amount of them to Mr. Peabody, in London, with instructions to dispose of them, if possible, without delay, that he might be prepared to honor bills of the company, to be drawn upon him for the payment of these urgent demands. Letters of the president, containing these instructions with Mr. Peabody's replies thereto, detailing the difficulties he has had to encounter, and the manner in which at great sacrifices, a large amount of the bonds have been disposed of, and concluding with his resignation, and the appointment of Baring, Brothers and Co., as the agents of the canal company in his stead, are appended, numbered from 19 to 32.

At the time Mr. Peabody made sale of £500,000 of the bonds, he had bills drawn on him by the canal company, then to be provided for, to the amount only of £82 743 17 5 besides the loans for which he was responsible in Europe, and had received from the company bonds to the amount of £184,000 in addition to the £360,000 sent to him by A. Brown & Sons, to substitute for sixes hypothecated in London, with a right to the bonds accompanying the bills to be provided for amounting to, £76,100. He was also in receipt of information from the president, assuring him that no more bills would be drawn upon him before May next. That he should be compelled, under such circumstances, to make such sacrifices as he did make, cannot readily be accounted for, unless we suppose that the bonds of the State, held by him, were considerably depreciated by a knowledge of the fact among the bankers and brokers of London that more than \$4,000,000 of bonds of the same State, issued for the benefit of the Susquehanna and Tide Water Canal, and the Baltimore and Ohio Rail Road Companies, were in the hands of agents of those companies, in London, to be sold whenever they can be beneficially disposed of. It cannot be denied, that the credit of the State of Maryland, has been most seriously injured by exerting it for the benefit of five expensive improvements, simultaneously, viz: The Chesapeake and Ohio Canal, the Baltimore and Ohio Rail Road, the Baltimore and Susquehanna Rail Road, the Eastern Shore Rail Road, and the Susquehanna Tide Water Canal, none of which can afford to pay dividends, in their unfinished condition.

Having in this mode endeavored to keep the sterling bonds, out of the hands of various parties, some of whom would have been impelled by necessity to sacrifice them; measures were next to be adopted to pay the \$60,000 of interest due to the State on the first of July, and the monthly estimates to become due to the contractors. A sale of bonds for these purposes, could not be effect-