

& Brothers, at so low a price, has had a most unfavourable effect on all others; and capitalists seem to have lost all confidence in the prices of our best state stocks, being maintained; and I think with reason, for during the last year, they have no sooner made investments at what they considered low prices, than the same stock has been offered still lower; and this feeling has become so strong, that nearly all operations have ceased.

If this state of affairs continues, I know not what I can do with your state bonds. In my last, I recommended you to effect sales in the United States, if par could be obtained, and I hope you have done so. It is my duty to be candid in my communications to you, and although I would not express the opinion to any other party, I most sincerely believe that if the 6 per cent. certificates were pressed upon the market, they would not bring 87½, the price at which they are pledged.

As anticipated in my last, the great scarcity of money, and the very high rates other parties are offering for loans on American stocks, have tended greatly to embarrass my operations for you; but my whole attention has been devoted to the subject, and thus far, I have succeeded in meeting the calls upon me, better than I expected. I have had to pay £30,000 since my last, £10,000 to the London Joint Stock bank, and 20,000 for small loans to other persons. To meet this, I have borrowed £10,000 for a few weeks, at the rate of 6 per cent. per annum, 10,000 for 3 months at 7½ per cent.; and for 10,000, I was obliged to use my bills on Morrison, Cryder & Co. bankers, at 4 months, allowing 1 per cent. commission, and at the rate of 5 3-8 per annum, to get them discounted. The London Joint Stock bank have called for the balance in monthly payments of £10,000, but I hope to be able to induce them to give me a longer time.

I have nearly £50,000 sterling to provide for this month, by renewal or otherwise. I am in correspondence with some capitalists in the country, and have a prospect of getting along without serious difficulty, but money is valuable, and I must pay a rate in some measure proportionate to what all other parties are offering.

In the hope of soon hearing from you,

I remain, with great respect,

Your obedient servant,

GEORGE PEABODY.

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*New York, July 18, 1839.*

*George Peabody, Esq.*

*London,*

I send a copy of my letter to you of the 4th, with extracts from the letters of Mr. Elisha Riggs, of the 1st, 6th, and 8th of