

after the 15th day of November, as before stated; by which day you will have looked fully into the condition of the European money market, and be ready to do the best that can be done under circumstances not of our creating.

I am, respectfully, &c.

FRANCIS THOMAS, *Prest.*

*C. & O. C. Co.*

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*New York, Aug. 1, 1839.*

*George Peabody, Esq.*

*London,*

Your letters of the 5th and 8th of July, are received. They present a gloomy picture indeed of the London money market; but they have not changed the opinions expressed in my letter of the 18th, a copy of which accompanies this. You will recollect that communications across the atlantic are now so speedy and regular, that all the fluctuations in the prices of American securities abroad are well known here. You know too that these five per cent. bonds are not saleable at any time in the United States for large amounts to capitalists for investments. We would therefore have to sell them here, if we sold at all, to those who purchase for the European market—and would be obliged to take for them a price low enough to allow a profit to the purchaser here; a profit to the agent of the capitalist in Europe, and also to give room for an unfavourable change in the market abroad. The allowance demanded at this time, when American stocks are declining, for the last named item, is so great, that it would be better for the canal company to take 82 for their bonds in London, than the price which could be had for them in this market. Believing this, I cannot but reiterate the declarations made in my last letter, as to the necessity—the absolute necessity—that appears to exist for a sale of a sufficient amount of sterling bonds, sent and to be forwarded, *for whatever they will command* in the European markets in time to make the payments which we very reluctantly indeed, are compelled to ask from you. This sale need not be made earlier than the 15th of November next. I know well that I am seeking to impose on you an unpleasant task in asking you to proceed, when a sacrifice of the bonds is possibly unavoidable. But we have no alternative. The banks in this country generally insist on having payment made of the monies due from the canal company; and they hold six per cent. Maryland currency bonds, which they have power to sell, and will sell, unless their demands be gratified. Contracts too, have been entered into by the old board of directors, for the further prosecution of the canal. For non-compliance with these con-