

sold, in 5 per cent sterling bonds of the State £97,575, (\$432,555.5,) and was then relieved from that enormous debt, which had been, most unwisely, contracted in such a manner, that those to whom it was due, could at any time compel a payment. The debts then unpaid, consisted of interest to the State, accrued and accruing, scrip, acceptances, &c., all being in such a form, and claimed by such parties, that compulsory measures to enforce immediate payment, were not apprehended. Thus circumstanced, the Canal Company appeared before the Legislature. The Board of Directors, desiring to comply with all its engagements, and to push on rapidly, with the work under construction. All parties in the Legislature, professed a willingness, to grant the aid applied for, and of several modes proposed, two were particularly urged by their authors, with earnestness and zeal. "According to one, State currency bonds, bearing an interest of six per cent, were to be put in the hands of the President and Directors, to be exchanged at their nominal value, for money, or the evidences of debt of the Canal Company;" According to the other, currency bonds of the State, bearing an interest of six per cent, were to be placed in the hands of the Commissioners of Loans, to be sold at par for money. It became the duty of the undersigned, in behalf of his associates in the Board of Directors, to pass an opinion upon these two propositions. It was done with frankness and candor, accompanied with the declaration, that he was ready and willing to attempt fairly, to execute any law which the Legislature might think proper to enact, intended to furnish the required means. I said then, I believed then, that an issue of Maryland bonds, to the amount proposed, *to be sold for money, at par*, would not enable the Board of Directors, to liquidate the claims against the company, to go on with the canal, and pay interest to the State due or to become due. I was then perfectly satisfied, from my knowledge of the condition of the money market, that the credit of the State would be seriously affected by an issue of a million and a half of bonds, to be offered for sale, in competition with the very large amount of like securities, at that time pressing upon purchasers, in this country and in Europe. I, accordingly, urged with earnestness, all the friends of the canal appropriation, who approached me on the subject, to give power to the party in whose hands the bonds to be issued were to be placed, to exchange them for evidences of debt of the company, at their nominal value, in the event of a failure to sell them for cash.