

250, in New York, under an order of the Board of Directors the Bank of Washington took £15,500, the balance of the Bonds disposed of in 1839 passed through the hands of Mr. Peabody, the agent of the company in London.

All these sales were forced upon the board, by whom they were sanctioned, the creditors of the company, generally, refusing, *peremptorily*, to give further indulgence. They had too, the means to compel a compliance with their demands; being in possession of 6 per cent. currency bonds of the State, with authority to sell them publicly or privately. That that power would have been exerted, if the demands had not been gratified, by many if not all the banking institutions concerned, we have good reason to infer from the correspondence between them and the officers of the Canal company, appended to my letter to you of the 10th of February last. In fact, one of the banks of the State, the Commercial and Farmers', offered the 6 per cent. bonds for sale by public advertisement, and another, the Western Bank, sold, privately, at a great sacrifice, a portion of the 6 per cents. hypothecated with it, without notice, to the Canal company of the time and place when a sale would actually be attempted.

These details are given, in justification of myself and associates in the Board of Direction. The proceeding was adopted under trying circumstances, when heavy sacrifices were unavoidable, and looking back, now, to the condition of the Canal company, when the undersigned became connected with its affairs, he sees no path, better than which was pursued, to extricate the State securities, placed most imprudently in a position to be sacrificed, by those who involved the Canal company in an enormous debt. If the creditors of the company had consented to wait until now, there has been, in the opinion of the undersigned, no period of time since June 1839, within which to sell these Sterling Bonds, on terms better than those reluctantly submitted to.

The Report of the Treasurer on this subject, in the appendix, shows, that the proceeds of all the bonds sold, converted into the value of Baltimore bank notes at the time of sale, is \$3,027,596,90, being only \$125,180,10 less than the par value of an equal amount of 5 per cent, currency bonds. And we know, that two skilful financiers, the President of the Merchants, and the President of the Chesapeake Banks, have not been able to effect a sale, on better terms, of the £90,625 trans-