

No. 3.

(COPY.)

THOS. TURNER, ESQ.

*Clerk Ches. and Ohio Canal Co.**Canal Office, Frederick City, Md.*

LONDON, 3rd December, 1842.

SIR,—Mr. Ward has transmitted us copies of his letter to you, the President of your company, and of your answers, by which we observe, that in declining Mr. Ward's proposal, the Board of Directors do not feel themselves justified in departing from the terms of our agreement. By this agreement we were at liberty to cover ourselves for our advances at any time by sale of the bonds deposited with us. We refrained from exercising this right, partly because there has been no regular demand for these bonds since we were in possession of them, and partly because it was the wish of your direction that we should hold on, but now that the State of Maryland has failed in paying its dividends, and that the balance is consequently increasing, as your company does not even remit us the interest on the sum due to us, we feel it necessary to come to a settlement of this account. We have, as you are aware, exercised great patience and forbearance in remaining for so long a period in such a heavy cash advance at only 5 per cent. interest, and waiting for any commission or remuneration until the sale of the bonds, and we have done so in compliance with your wishes; but we have long felt a strong desire to have the debt due to us repaid, or at least very materially diminished. At the same time we were aware, that whatever the nominal price might be, the attempt to sell here so large a sum as £133,000 stock would be vain, for the last one or two years, and would injure the credit of the State, by reducing the rate of its bonds to those of the worst securities. Unfortunately, events on your side have destroyed the credit of Maryland, and rendered my calculation of the value of its bonds impossible, whilst they have made us more anxious to settle or diminish the balance due to us, and we desired our agent, Mr. Ward, to beg you to remit us funds, or if that were impossible, to come to some settlement of the account, which we thought would be as much your wish as ours. It would be impossible to sell £1000 at 50 per cent. whilst much might be bought at that price, so that if we wanted to speculate in Maryland bonds we could buy them in this market at more advantageous terms for us than by our offer to you.

We have now the honor to enclose a copy of the account current of the Chesapeake and Ohio Canal Company with us, showing a balance on 31st December next, to its debit, of £80,151 0 8, which please note in conformity, and we beg to add, that if we are not placed in possession, by the arrival of the Boston steamer of 1st February next, of some means of providing for the payment of