

cluding our commission of 2 per cent. and brokerage, as usual on sales. Where no advances are required, our commission is to be reduced to one per cent. it being distinctly understood, that it is most material to our interests, that we should have the sole and entire control of the sale of the bonds, and that it is your wish to do every thing in your power to give us such control."

By letter of the same date, November 27, 1839, dated from London, Mr. Peabody acknowledges the agreement as above stated, and expresses to you "the pleasure it will afford him to carry out the views and expectations embraced in your letter."

In a letter from George Peabody to the President of the Chesapeake and Ohio Canal Company, dated London, December 6, 1839, he says:

"In the agreement with Messrs. Baring, Brothers & Co. which I forwarded, no positive mode of effecting sales of the bonds belonging to you was pointed out, I have therefore suggested that what may belong to you should be sold *pro rata* with what they may hold on their own account. This arrangement they have confirmed in the letter enclosed, which will place your interests on as favorable a footing as I could reasonably ask."

The letter from the Messrs. Baring, Brothers & Co. (enclosed in the above) dated Bishopsgate Street, 6th December, 1839, and addressed to Geo. Peabody, Esq. is as follows:

"In reference to your enquiry as to the best mode of protecting the Chesapeake and Ohio Canal Company against losses from *forced sales* of Maryland State bonds, at present hypothecated with various institutions in the United States, and of following up at the same time the agreement between us, we would suggest that you should authorise drafts on you, against the consignment of the bonds at the rate of £65 per £100 capital, and we engage to provide for your acceptances on delivery of such bonds (being the same form and tenor as those we have purchased of you) to us, provided, that the whole amount of drafts do not exceed £200,000—that not more than £30,000 fall due per month, and that we receive, as stated above, £100 capital for every £65 we are called on to provide. In this mode &c." The letter then proceeds thus: "Although we must reserve to ourselves the right of covering our cash advances by sales, yet our interests are now so closely identified with those of the company, and our wish is so sincere to meet its views, that you may rely on our not uselessly sacrificing its stock, and we shall consult with you as to prices, and are willing to admit, what is consigned to us in *pro rata* proportion with what we hold for our own account in our gradual sales."

Upon the receipt of those letters and communications, embracing the terms therein contained, the Board of President and Directors of the Chesapeake and Ohio Canal Company unanimously confirmed the agreements, and by a resolution, passed 8th January, 1840, appointed your house the agents of the Chesapeake and Ohio Canal Company, for the transaction of its business in London. All which was communicated to you through Mr. Peabody