

by letter, dated 24th January, 1840. And the agency was accordingly established.

In a letter addressed to you by the Governor of this State, (at that time President of the Chesapeake and Ohio Canal Company,) under date of January 5th, 1841, he says:

“The condition of the money market of Maryland bonds in London, as is described from time to time in your letters, has induced me to refrain from attempting to modify, or to change *in any respect* the arrangement entered into between yourselves and Mr. Peabody. That arrangement was approved of by the Board of Directors as soon as we had learned its terms, and the chief clerk was directed to forward to you evidence of that approbation, &c.”

Upon the terms then of this agreement and agency, as set forth in the various extracts we have quoted, it appears that you now hold Maryland 5 per cent. sterling bonds to the amount of £133,000—that the balance due you for cash advances made at various times, amounts now to £80,151 0 8—and by your letter of the 3rd December, 1842, dated at London, received through your agent, Mr. Ward of Boston, as we have already mentioned, you repeat your proposition to become the purchasers of the £133,000 of the bonds belonging to the company in your hands at 50 per cent., and state, that unless the company assents to this proposition, or unless by the arrival of the Boston steamer, which is to sail on the 1st February, you are placed in possession of some means of providing for the payment of the balance due you for advances, viz: £80,151 0 8, you will proceed to a sale of the bonds in your hands, either here (in London,) or in the United States as may appear most advisable.

In the present embarrassed condition of the company, and with an outward pressure from all quarters, we regret exceedingly that your house also should manifest so peremptory a disposition to press for a settlement of accounts, but inasmuch as it has been done, the only alternative of this company is to shelter itself under the stipulations of the agreement existing between yourselves and it, in regard to *forced sales*, and to insist upon the full benefit of the provisions of the arrangement as respects the mode of regulating the sales.

In a few words, then, we think that under the existing arrangements you are not at liberty to sell the bonds of the company without the assent of the company, even to reimburse yourselves for cash advances, except for the same price that you make sales of similar bonds held on your own account, and in *pro rata* proportion according to the terms of your letter of the 6th December, 1839, from which we have quoted an extract. Under this arrangement, as this company understands it, you are to make advances at the rate of £65 for every £100 of Maryland bonds placed in your hands. You reserved to yourselves the right to cover your cash advances by sale, but to secure the company against the sacrifice of its bonds to meet such advances, you agreed not to sell