

the principal, by the time it became due. Such would be the provisions of the law that would be asked for, and doubtless passed, if we can be sure of its being made available.

The Maryland State liens on the canal, would become by this arrangement secondary liens, and inasmuch as by the completion of the canal to Cumberland, the revenues of the company would at once exceed the sum necessary to cover its ordinary expenses, and pay the interest and provide a sinking fund to discharge the principal of the amount now sought to be borrowed, which would be secured by preferred liens, the State would soon be able to realize some return for its investments in the work, and thereby be the better able to meet the annual interest on the State debt. In this view of the case, the subject of completing the canal, is not devoid of interest even to the European bond holders.

Your former connection with the company has induced me to take the liberty of addressing you on the subject, and of respectfully desiring for it, your favorable consideration. The whole sum would not be wanted at once, but in monthly or quarterly instalments; running through a period of eighteen months or two years, which is about the time deemed necessary for the completion of the canal from the date of the commencement of the work. Of course, none of the money would be wanted until after the session of the Legislature, and the passage of the necessary laws to enable the company to give the preferred mortgages, or bonds with statutory liens, which ever might be the most desirable. I presume the latter would be preferred, as being better understood and more easily disposed of. An early answer is requested.

With high consideration,

I have the honor to be,

Very respectfully,

Your o'bt. servant,

J. M. COALE,

President, C. & O. C. Co.

[Signed,]

NOTE.—A similar letter was addressed by me, to Geo. Peabody, Esq., London, dated 23rd of August, 1843.

LONDON, 18th October, 1843.

COL. J. M. COALE,

*President, Chesapeake and Ohio Canal Company:
(Frederick City.)*

DEAR SIR: I was duly honored with the receipt of your favor of the 23rd August, asking, whether I could negotiate a loan for \$1,500,000, a sum sufficient to finish the canal to Cumberland, on the bonds of the Company, on condition that the Legislature of Maryland, at their approaching session, will pass a law relinquishing, as security to the lenders, the first lien on the canal and its revenues which the State now holds.

I have deferred a reply to the present time, to give me an op-