

portunity of communicating with influential parties here, (on whom such negotiations mainly depend,) regarding the subject of your enquiries, and I regret to inform you, that I can offer no encouragement of early success on the plan which you propose.

The dreadful shock, which the credit and character of our country has received in Europe, by unprincipled legislation in one or two States, and the great indifference manifested by others, (Pennsylvania in particular,) on the subject of providing means to pay their interest, is still too keenly felt by all persons who formerly favored American loans, to induce them, at present, to embark further capital in a similar way, no matter how tempting the interest, or undoubted the security proposed. It affords me, however, much pleasure to say, that scrupulous punctuality on the part of several of the largely indebted States, and the very slight encouragement which is now given to repudiators by any portion of our country, is gradually inspiring confidence, and I do not despair of seeing, before many years, the credit of all our States again raised on that high pinnacle from which it never should have fallen.

I well know the feelings of our European creditors, and can assure you, that there exists among them, (notwithstanding their sufferings,) a warm sympathy for those States which unexpectedly have been brought into pecuniary difficulties, but are making reasonable exertions and sacrifices to surmount them. I am happy to say, that Maryland ranks as one of this number, and with the exception of a few small meetings, in some of the counties, unfavorable to the maintenance of her credit, her honor is unimpaired. To sustain this character, however, her next Legislature must adopt such measures as will enable the Treasurer to resume the regular payment of dividends at no very distant day, and I speak advisedly, when I say that, the holders of her bonds generally, in Europe, would feel quite satisfied to receive a mere 5 or 6 per cent. stock for all arrears of interest up to 1st July, 1844, if the Legislature would pass such an act and make full provision to pay the dividends promptly after that time.

I should not have troubled you with so many remarks respecting the credit of Maryland, was I not fully aware that the interests of your company, and the State, are so interwoven that they cannot be separated; if, therefore, the next Legislature will adopt similar measures to those I have stated, and follow them by an act authorising the canal company to give preferred liens on the nett revenue and tolls of the entire canal, to raise funds to finish it, I firmly believe, that the required amount could be procured here on 5 per cent. bonds of the company, redeemable in 20 years, interest and principal payable in London, but the price would not probably exceed 80 per 100. I predicate this opinion, on the supposition that no Legislative enactment, by any of the States will, meanwhile, take place to stop the favorable feeling here, which is now gradually increasing regarding American credit.

I feel highly gratified, and honored, that you have addressed me on a subject of so much importance to the company over which you