

assumption, I consented that Messrs. Baring, Brothers & Co. should be the agents for those purposes also, and to allow the commission usual in such cases. My chief inducement, however, for acceding to this part of the arrangement, was the desire of identifying the bonds with the acknowledged credit and influence of the house, which I could not doubt would inspire great confidence in the punctual payment of the interest and reimbursement of the principal. I considered also, that, as the law contemplated the reservation of the interest from the sales, that confidence would be strengthened by committing the sales and the payment of the interest to the same hands.

If an opinion formed with the benefit of some experience, and a close and anxious observation amid the embarrassments with which my agency abroad was encompassed, be entitled to weight, I may be pardoned for saying, that the arrangement as concluded, in all its parts, had an immediate and salutary influence upon the credit of the State.

The contract, it will be perceived, authorizes the company to prescribe the limits at which sales are to be made. Pursuant to this authority and from the motives already stated, I fixed the general limit at ninety per cent. sterling, being, as has been heretofore observed, with the benefit of exchange, considerably above the price of a six per cent. par. From this general limit I made an exception of £75,000, authorizing the sale of £25,000 at 85 and £50,000 at 88 sterling.

My motives for this exception grew out of information received from the United States of the difficulties impending over the banks of Baltimore, and of their desire, by abridging, as far as possible, their advances to the city, to extend greater relief to their customers.

It immediately became obvious, however, that nothing could be realized from these exceptions. Even before the conclusion of the arrangement with Messrs. Baring, Brothers & Co. I had learned that several bills of exchange drawn by the Chesapeake and Ohio Canal Company on their agent in London, were under protest for non-acceptance. In each instance, the bill was accompanied with sterling bonds of the State, or with orders to the agent to deliver the requisite amount in London, to cover the draft at maturity. The drafts continued to increase, until the condition of the bills and of the sterling bonds, with which they were accompanied, became a matter of notoriety.

Under these circumstances, the probability that the bonds might be ultimately sacrificed at the maturity of the bills, became too apparent to justify an expectation that any portion of the bonds of the rail road company could be sold at the limits I had prescribed.

In this state of things, and from an earnest wish, as far as possible, to guard against the consequences, which, it was feared, might ensue, further efforts were made, with the co-operation of the agent of the canal company, to induce Messrs. Baring, Broth-