

000 of interest paid to the State, and all other current expenditures, so that the sum actually paid *in money or monthly estimates* in that year, was considerably less than \$500,000. Very little was paid for any object between the 1st June 1840, and the time of my resignation in July following.

2d Question. You have furnished to the committee a table, showing that \$2,070,219 might have been applied exclusively to the prosecution of the work on the canal if it had been deemed expedient to leave the old debts unpaid. Have you any reason to believe that the banks and bankers and other parties, to whom the canal company were indebted largely in June 1839, would have consented that these debts should remain unpaid, notwithstanding their letters to the President, refusing to give indulgence? If those creditors of the company would not consent to have their debts unpaid, had they not the means, holding as they did bonds hypothecated, to compel the board to make payment?

Answer. I have no reason to suppose that *all* the banks and bankers, and other parties to whom the canal company was indebted in June 1839, would have been willing to postpone the time of payment of their claims very long. Some of them however, and for a large amount, did indulge the company until the close of the year—say for six months. None other of the State bonds were hypothecated than those shewn by the table referred to in the question, nor am I aware that the banks had any other security than *the bonds hypothecated*, which were six per cent. State bonds, generally pledged at their par value. Their only means of compelling payment, was to sell the bonds in their hands—and if these should not satisfy the claims, to have recourse by suit at law for any deficiency. This last recourse I have understood the President to say could avail nothing, as the State of Maryland held a lien upon all the credits of the company. Under these circumstances, I apprehend, that no bank would part with the bonds for less than full satisfaction of its claims. If these bonds had been sold in June 1839, or any short time thereafter when the debts to the banks were becoming due, for which they were pledged, they would have produced more than their par value, and that would have been better for the parties concerned, than the subsequent sales of 5 per cent. bonds were, by which means (through bills drawn on Mr. Peabody,) they were paid. In this answer I refer only to the debts due in the United States,