

Upon the receipt of this memorial, the Legislature appointed a joint committee of the two Houses to take the subject into consideration, and to examine and report upon the application of the money loaned by the State, as well as the causes of the erroneous estimates which had been submitted to the previous Legislature, and with power to send for persons and papers. Under this authority the committee proceeded, at the last winter session, to make the investigation; after a full examination of persons and papers, the majority of that committee made a report, from which, the following extracts are made.

“It appears from the testimony before the committee, that the application to the Legislature for the loan to the Chesapeake and Ohio Canal Company was based on the report of the committee appointed on the part of the Internal Improvement Convention assembled in Baltimore, in December, 1834; that this report was founded on the survey made by Mr. Cruger, the engineer of the canal company, of 26½ miles of the canal immediately above the 108 miles which had then been nearly completed; that this survey had been made preceding the meeting of the convention; and the canal company, adopting this report as the basis of the estimate for the completion of this great work, were themselves mistaken; that your committee have no reason to believe the canal company were in possession of any facts, at the time of making the application for the loan, which did not warrant them in adopting the report of the committee of the Internal Improvement Convention.

“From the known character and probity of the parties, the committee are satisfied that the error was one of judgment, not of design—that the canal company had no intention to mislead or deceive the Legislature.

“With regard to the first part of the inquiry submitted to them, the actual application of the loan, your committee are not prepared to make a detailed report; they have ascertained, however, that the debt of the company, at the time the loan was applied for, amounted, according to the deposition of their clerk, J. P. Ingle, to \$559,771 05, the greater part of which it was necessary for them to discharge before they could comply with the conditions of the law under which the loan was made.