

Of the above there remained unexpended, on the 1st January 1839, in Banks,	\$4,947 70
In the hands of the Commissioners,	23,847 97
Paid to Rail Road Co. to be refunded,	120,000 00
Advanced to Commissioners,	8,000 00
Sixty-eight bonds in the Bank of Wash'ton,	\$40,000 00
Difference between the amt. hypothecated by Mr. Peabody as received by the company,	169,778 00
Premium for exchange,	15,279 92
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Unexpended by the company,	\$681,853 59
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The following extract of a letter from Mr. Peabody, dated London, 13th December, 1838, will show the rates at which the hypothecation have been made by him,—“I should have before observed to you, that with a view of giving the joint stock bank additional confidence in their security, to induce them to renew the loan of £40,000* I deposited with that institution 44 bonds (220,000.) In all other cases I have obtained £1000 on each bond.” The only case in which the contract of hypothecation is particularly known, is the loan of £100,000 on a pledge of £112,500, mentioned by that gentleman in his letter of the 13th July 1838. Under this contract in default of the payment of either principal or interest, the lender is authorised to sell, either at public or private sale, and the agent bound to make good any deficiency. Such contracts leave the company no alternative—they must sell, or subject themselves to risques which they are not warranted in running. A thousand unforeseen causes may depress the money market. At such a moment it is not to be expected that the parties with whom they have contracted will forego the opportunity of enriching themselves at the expense of the company, by causing an immediate sale of the bonds. The low rates at which the hypothecations have been made by Mr. Peabody, rarely exceeding eighty-five cents in the dollar, and the short dates at which they have been effected (many at 30, 60, & 90 days) present to the foreign capitalists the alluring prospect of future profit, and the almost certain means of attaining it. The slightest pressure in the money market, and those very bonds which cost the company 120 cts. the dollar, may be sold at 80. The Legislature certainly never imagined at the moment of ratifying the ill fated sale of the commissioners that such a sacrifice could by possibility ever be made. The committee are unable to account for

* 177,600 dollars.