

the conduct of the company in relation to these very bonds. In the first place they gave more for them than they would have brought in the market at the time they purchased them. In the second, they proceeded to hypothecate them at once on terms so disadvantageous, as rendered their retention of them utterly impossible. Did they intend to procure the means of carrying on their work at any sacrifice, and did they adopt the hypothecating process as the one most likely to conceal their intentions? To have sold the bonds at once, much as they wanted money, would have been too palpable. They hypothecate them however on terms which *may* bring them into market, and thus, what was the product of design may seem to be the result of accident. The committee desire to be distinctly understood—not as censuring the company for endeavouring to raise money on the bonds—but for doing it at such rates, and on such terms as it has been done. Had those hypothecations been made at longer dates it would have been infinitely better, by affording the company more time to make their arrangements, for a renewal of their contracts, and left them less to apprehend from the fluctuations of the money market. The State evidently designed in requiring a premium of 20 per cent. on the sale of her bonds, that a sinking fund should be provided for the liquidation of the debt which she incurred in making so liberal an advance to the company, and that for every dollar to be applied to the work 20 cents should be paid into the treasury for the creation of a sinking fund, and the payment of the 3 years interests stipulated on the act of 1836. This object has been defeated by the purchase and hypothecation of the bonds by the company. The 20 cts. has been paid into the treasury, but it has been effected at the expense of the work by abstracting that amount from the fund intended for its construction. The committee would particularly call your attention to the Annual Report of the Chesapeake and Ohio Canal Company, “shewing the aggregate receipts and expenditures of that company on the 31st December in the years 1837 and 1838, respectively.” This report is unquestionably incorrect, and admitted to be so by the officers of the company. The reasons which influenced them (the company) in submitting a document admitted to be incorrect can best be explained by the company themselves. Professing as it does on its face, to be a detailed statement of their expenditures for those years, one is astonished on discovering that, what had been actually expended for one purpose had been charged under a different head for another purpose. Thus expenditures for printing, station-