

the Treasurer of the State, all surplus earnings above the necessary expenses incident to maintaining the Canal in a good and efficient state of repair, and such further sum as is necessary to pay the annual accruing interest upon the principal sum of the preferred debt or debts owing.

And the Treasurer of the State shall, from time to time, invest such surplus and the increment thereon in a sinking fund, until it shall be sufficient to redeem the principal and over-due interest of said preferred debt or debts. And should either class of the creditors of said Company make default in nominating for Directors at any election, the provisions of this Section, so far as it applies to the defaulting class of creditors at such election, shall be inoperative and void.

And the President and Directors of said Canal shall have the power to establish, and from time to time alter the same, such rates of tolls as may be by them deemed necessary to secure the largest amount of revenue therefrom, within the limits prescribed by the charter of said Company.

Which was read.

Mr. Wilkinson submitted the following amendment as a substitute for the whole :

Sec. 3. The entire net revenue of the Chesapeake and Ohio Canal Company shall be applied to the payment of the principal and interest of the preferred bonds in the following manner :

After paying the annual interest upon the original principal, the balance, if any remains, shall be paid pro rata to the bondholders at the time of the payments of annual interest, and in the manner prescribed for the payment of said interest by the Act of 1844, chapter 281, until the accrued interest shall have been paid off, after which time the surplus shall be appropriated as a sinking fund for the redemption of the principal of the bonds as provided in the said Act.

Pending the consideration of which,

Mr. Rennolds moved that the Convention do now adjourn.

Decided in the negative.

On motion of Mr. Bateman,

The Convention, at 3 o'clock and 25 minutes, P. M., took a recess until 7 o'clock this P. M.