

In reply, I most respectfully submit, that at this late period of the session, it would be impracticable to commence such investigation in the hope of reporting the result at an early day. I can, therefore, give to the Senate only such information concerning "the circumstances under which" the payment was made, as I possess. This I proceed to do in the following statement:

In December, 1867, "the Commonwealth of Virginia," by her Attorneys, filed a bill in the Circuit Court of Baltimore city, against the Chesapeake and Ohio Canal Company and certain trustees and bondholders, the chief object of which, (as stated in the brief of its counsel, at the argument on the 22nd of June, 1868,) was to obtain a decree of a Court of competent jurisdiction, with all the necessary and proper parties before it, determining the legal priorities of the various creditors of the Chesapeake and Ohio Canal Company, so that it may, with safety, pay its surplus tolls and revenues to the persons legally entitled to receive them.

The claim set up by Virginia in the bill was, that as guarantor of \$300,000 of "the preferred bonds," of \$200,000 of the repair bonds, issued by the Company, as it was alleged, in virtue of the Maryland Act of 1844, chapter 281, (whereby it was charged that Maryland waived her priority as mortgagee under previous mortgages of the tolls and revenues of said Company, in favor of the said bonded debt and interest,) Virginia had paid and taken up certain coupons of interest on the repair bonds, in default of the Company's being able to pay the same. That the Company being also unable to pay the interest on the preferred bonds, made an arrangement with Seldon, Withers & Co., bankers, under which they took up certain coupons of interest to the amount of \$143,000, for \$140,000, of which, the Company afterward issued to them *certificates of debt bearing interest payable semi-annually*, whereby they claimed to be subrogated to the rights of the original owners of the coupons. That Virginia, as assignee, for value, holds the said certificates, which she claimed to be a lien upon the tolls and revenues of the Company by virtue of the Maryland Act of 1844, chapter 281, and the Company's mortgage to certain trustees. That Virginia had also paid interest coupons on preferred bonds as guarantor, which it had surrendered and for which it received a certificate of indebtedness of the Company for \$35,000, bearing interest from 1st October 1852, payable half-yearly. That in addition, Virginia, as such guarantor, had paid other coupons of interest to the amount of \$269,625. Upon all these claims, the bill averred that Virginia was entitled to interest from the time of the said several payments, to the payment of which, the net tolls and revenues