

message of economy of the option to draw for advances." And that "the action of the board was characterized by a remarkable concurrence of opinion in the propriety of abstaining from the use of the state bonds."

The action of the board which is relied upon as presenting so remarkable a concurrence of opinion, was the adoption of the scheme of issuing certificates founded on City Stock; the rejection of the amendment offered by Mr. John White, and the refusal to sell a part of the State bonds to the Seneca Bank of the State of New York. These proceedings show that while the company still depended on the advances from the Bankers, they were anxious to avail themselves, as speedily as possible, of the city subscription; that it was opposed to the proposition of Mr. White for applying the state and city subscriptions, in equal portions to the construction of the road throughout the whole line; and that the offer of the Seneca bank was not as favourable as the arrangement with the Bankers.

But the company now assumes a new ground for the mission to England, which is distinctly laid down in the following passage: "The necessity of this expedition becomes the more important at this time, because the company by opening a negotiation abroad for the disposal of the State bonds, has not only assumed the responsibility of providing so far as a disbursement of these funds may imply that obligation, the credit of the State on foreign countries, but in an equal degree has imposed upon itself the duty of preserving the value of such of the State bonds as may have through other channels and for other companies, been already made the foundation of advances to our own citizens."

The exposition also sets forth "that the course pursued by the company in these transactions, so far from striking more deeply if possible, the credit of the bonds pledged by the Canal company, has on the contrary, elevated the credit of those bonds, in a period from the fact that this company has actually set a limit on the stock in their possession much above the present market rates, and therefore defined its value so distinctly as to induce all the holders, who are now obliged by their necessities to sell, to make the same estimation of its value."

The company then "actually set a limit on the stocks in its possession much above the present market rates," and by this simple process elevated the credit of the bonds pledged by the Canal company; and that this effect is produced as apparent from the limitation itself. This was indeed a discreet use of these funds; and the operation would have been complete, if necessitous holders had not been compelled to sell below the limits, and if the value of the bonds had been so distinctly defined as to induce purchasers to give more than the market rates.

It appeared to me that the time selected for the mission was unfavourable; that the introduction of so large an amount of State stock into foreign markets, when England was flooded with unsaleable American securities, was likely to depress the price of what was already pledged; and that the arrangement itself, though the best that could be made "under the circumstances in which Mr. McLane was placed," was a provisional contract, not only for the sale, but for the hypothecation of the State bonds. It appeared to me that it was impudicious to enter into any arrangement at a time when according to Mr. McLane's statement to the Treasurer, the establishment of an agency even without the obligation to make advances, was a matter of difficulty." To establish an agency and