

All the estimates show the capacity of the canal to be sufficient to pass a million tons of coal annually, and that the tolls on this quantity would be sufficient to pay, not only the interest on the advances of the State, but yield a handsome return to the stockholders. The capacity of the canal may be what it is represented, and yet there might be a want of capital to work the mines to the extent proposed, or if there should be capital enough, there will not be, in the opinion of the undersigned, for many years, if ever, a demand proportionate to the amount of coal expected to be transported on the line of the canal, and in that event, it would be useless to disembowel coal, if there was no demand for it. But of the demand, the undersigned does not speak positively, but merely gives his impressions.

Secondly: *As to the condition of the affairs of the company in June, 1839, and the conduct of the present President and Board.* It is due to Mr. Thomas and the Board associated with him in the management of the canal, to state, that since they became the managers of the affairs of the canal, no appropriation has been made in aid of the prosecution of the work, and that no contracts to any great extent, if any contracts at all for work, have been entered into by either him or the Board. This being the case, it cannot be justly said, that either he, or they, are answerable for the contracts, to the compliance of which the company is now held. They came into the company under circumstances of an exceedingly embarrassing character, overwhelmed by contracts entered into by their predecessors, and found themselves in the peculiar attitude of men called upon to meet engagements without the available means to do so. They discovered on the very threshold, that the former President and Board had entered into a system of hypothecation of the State's Bonds, which to say the least of it, was calculated to bring about embarrassments, and eventuate in, not only loss to the company, but the depression in the money market of the securities of the State. Thus circumstanced, their duty necessarily was other than pleasant.

To understand the true character of the proceedings of Mr. Thomas and the Board of Directors associated with him, recurrence must be had to the state of the canal's affairs when they came into power.

A careful examination of the report made to the House, by Col. Wootton, Chairman of the Committee on Internal Improvements, at the session of 1838, has satisfied the undersigned