

pense of the company, by causing an immediate sale of the bonds. The low rates at which the hypothecations have been made by Mr. Peabody, rarely exceeding eighty-five cents in the dollar, and the short dates at which they have been effected, (many at 30, 60, and 90 days,) present to the foreign capitalists the alluring prospect of future profit, and the almost certain means of attaining it. The slightest pressure in the money market, and those very bonds which cost the company 120 cts. the dollar, may be sold at 80. The legislature certainly never imagined at the moment of ratifying the ill-fated sale of the commissioners, that such a sacrifice could by possibility ever be made. The committee are unable to account for 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 the 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 endeavoring to raise money on the bonds—but for doing it at such rates, and on such terms as it has been done. Had these 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.”

By the testimony of Mr. John P. Ingle, late Chief Clerk of the company, it appears, that it must be considered that the amount of \$2,777,777 of the 5 per cent sterling bonds had been hypothecated before the first day of June 1839, and of course before Mr. Thomas became President of the canal company. It cannot be pretended that either the present President or Directors, are liable either for these hypothecations, or the terms on which they were made. These hypothecations had been made as was properly remarked by the committee on internal