

afford the Legislature a full and satisfactory knowledge of the manner in which such proceedings may have been conducted."

We would particularly direct the attention of your honorable body to that part of the report which relates to the verbal proposition, made by the President of the company, (and which he professed to make in his individual capacity) with regard to the scrip issued by the company since July 1st 1840, amounting altogether to more than \$500,000 and 80,000 of which is redeemable on the 9th of the present month—you will perceive by a reference to this part of the report, that the proposition submitted by the President amounts to nothing less than an indefinite postponement of the redemption of the notes which have been issued by the company under the denomination of canal scrip, for there is no reason to suppose that the ability of the company to redeem these liabilities will be any greater at the expiration of the period for which the bonds are proposed to be issued than at the present time.

Although by the refusal of the President to commit this proposition to writing, the undersigned were prevented from making it the subject of any specific action, they nevertheless deem it their duty to express their entire dissent from a proposition which in their judgement would at once destroy whatever degree of credit these emissions of the company may now possess. To prove this it is only necessary to refer to the great depreciation of bank paper, which always follows the refusal on the part of a bank to redeem its issues, although the community may be convince that the funds of the institution are sufficient for the redemption of its notes, and that they will ultimately be redeemed at their par value. It then the issues of a solvent institution are depreciated in value by the refusal to redeem them when demanded, how much greater must be the effort produced upon the issues of the company which in the language of the President "must be declared to be utterly bankrupt," if a demand of \$1,500 or \$2,000 should be made upon it. For these reasons the agents are of opinion, that the adoption of the course recommended by the President would go still further to effect injuriously the credit of the company and by the great depreciation of the scrip, which would be inevitably caused by it, would involve the present holders of the scrip in losses which to many of them might prove ruinous; and especially to such of them as from their limited means would be unable to fund it.

The agent would beg leave to direct the attention of the Legislature to the present financial condition of the company, as shown in their report from the verble representations of the President himself, and would respectfully recommend an immediate provision for raising such an amount of funds as may be necessary for the preservation of that portion of the canal, which is already completed.