

taken place in the price of State securities, nevertheless I still hoped that the company would be able to sell enough for present purposes without any great sacrifice.

In order to know how far my opinion is sustained by actual sales, I have called at the State Treasury, and find that your State Treasurer, who is justly esteemed as a faithful officer, and who would not give more than the market value for investments, purchased the following amounts of 5 per cent currency State bonds at the times and for the rates named below, viz:

May 1, 1839,	\$17,000 at its par value,
Aug. 12, “	10,654 at 95 per cent, and
Nov. 29, “	14,872 at 89 $\frac{3}{4}$ per cent.

The difference of price between currency and sterling State bonds is three per cent in favor of the sterling bonds. If three per cent be added to the prices given by the Treasurer for currency bonds, you will have the price or market value of sterling bonds at the terms stated.

I believe that as a means of relief to the canal company in the summer of 1839 when it became difficult to procure money, an issue of scrip by the company based upon a pledge of State bonds, accompanied by a small portion of bank funds, would have been acceptable to the contractors on the work. Not as acceptable as the funds they did receive until November, but rather than to have embarrassed the company I think it would have been accepted. This species of payment I know would not have been acceptable to the banks, in satisfaction of their claims, but the great punctuality with which the former issues of the company had been redeemed, had prepared the public to receive favorably, another issue. Indeed the willingness with which the issue of \$300,000 made in November and December 1839 and January and February 1840 was received, is evidence in favor of the supposition. If such means had been adopted I think it would have avoided some of the greatest losses which the company have sustained.

*5th Interrogatory.* Do you know of any sale of State bonds, made in New York by the canal company to meet the payment of protested bills of exchange drawn by the company? Had the protested bills arrived at maturity when they were paid? What was the amount of State bonds sold, what amount was realized for them by the company, and what the amount of the protested bills so paid? Were the State bonds sold, the same which had been hypothecated to guaranty the payment of the bills of