

above all, those which had for seven months before been sold at about 85 per cent. The amount of bonds as shewn in this statement to have been conveyed to the Trustees is also erroneous, as is admitted by the testimony of the present officers of the company. This item does not exhibit a fair view of the finances of the company.

The next error on the credit side, is in these words: "With Commissioner of Loans to meet \$37,333 33 of 6 per cents, £8,500 sterling, or \$37,777 77." The whole of this is error. The canal company has no more right either to the 6 per cent. bonds or the 5 per cent. bonds referred to, than they have to bonds issued for the benefit of the Baltimore and Ohio Rail Road Company. " The history of the case is this. In the year 1839, the canal company borrowed money from one of the banks and hypothecated some of the six per cent. bonds issued by the State, to secure the payment of the debt. The note became due and was not paid—the bank therefore sold \$35,000 (not \$37,333 33 as stated) of the six per cent bonds, and credited the company with the proceeds of the sale in an account settled with that bank in December 1839. The Commissioner of Loans according to the law granting 5 per cent. *sterling bonds* in exchange for the 6 per cent *currency bonds*, retains £8,400 sterling, (not £8,500 as stated) of 5 per cent sterling bonds, to be exchanged with the holder of the \$35,000 of currency bonds whenever he shall choose to make such exchange. The canal company has no possible interest in either the 5 per cent bonds held up by the Commissioner of Loans, or in the 6 per cent. bonds now owned by a private gentleman. This item must therefore be stricken from the list of credits of the company.

The next is an error of £50 sterling of bonds in loan office, on account of difference of opinion between the Commissioner and State Treasurer in the interpretation of the act of Assembly. This should be £1,800 instead of £1,750, if the item should be exhibited in this form at all. I have considered this ever since the decision of the commissioner in favor of the canal company, as so much additional means in the hands of the trustees for the scrip, to whom it is conveyed if rightly belonging to the canal company.

I notice on the debtor side of this statement, two very manifest and singular errors. Of the scrip of denomination of 5, 10, & \$20, it is stated that balances are remaining in the office of the company and in the hands of the commissioner of