

act of December session, 1834, chapter 241, the State received an advance of upwards of five hundred thousand dollars. And for the four and a half per cent. debt, authorized by the act of December session, 1830, chapter 119, she received a price considerably above par, estimating the legal rate of interest as the actual value of money. In fact, the sinking fund, amounting on the first day of December, 1845, to \$1,411,911 59, is almost exclusively the product of these premiums, paid by the public creditor, over and above the sum of the State's obligations, delivered to him in return.

Whilst it appears, therefore, that the high credit of the State in times gone by, caused her stocks to command a premium in the market, and to this strong confidence in her ability and integrity, she is indebted for a sinking fund, by whose operations the public debt will ultimately be extinguished, it cannot with propriety be said, that the State herself has ever received less than the par value for any of her stocks.

It is true, that one of the improvement companies, to whom a portion of the eight million loan, authorized by the act of May session, 1836, chapter 595, was delivered, parted with it in some instances at heavy rates of depreciation, and consequently, the work intended to be completed by it, has required further appropriations; yet it must be recollected, that the State received the equivalent for which she contracted, in an equal amount of the preferred stock of the company; the two parties agreeing—the State on the one hand, and the Canal Company on the other, that the stock of the State should be received by the Canal Company, in payment of the subscription by the State, to so much of the stock of the former. The State then received for this portion of her debt, precisely what she contracted for, and although she no doubt suffered with all the other parties interested, by the sacrifice which the company subsequently made of her bonds, this circumstance cannot, in any possible view of the matter, impair in the slightest degree, her obligation to pay the full principal and interest of these bonds. If the State made a bad bargain, in exchanging her bonds for the stock of the Chesapeake and Ohio Canal Company, she has herself only to blame for it; or if the Canal Company was guilty of indiscretion, or worse, in selling these bonds below par, the State cannot, for that reason, seek to diminish the extent of her liability. She received that for which she bargained, to wit: three millions of dollars of the preferred stock of the Chesapeake and Ohio Canal Company. For this she delivered her bonds of an equal amount to that Company, and no disposition which the latter may have made of those bonds, can weaken her obligation to pay them in full.

These remarks have been made to repel the idea which may have had its influence upon some minds, that the State will have done every thing, which can reasonably be expected of her, if she repays to the present holders of her debt the amount which it cost them. It must be obvious from what has been said,