

We are inclined to believe, that had an appropriation of \$15,000 or \$20,000 been made by the Legislature at December session, 1837, as was then recommended by the board of directors, much of this loss would have been avoided.

However this may be, the present condition of the pecuniary affairs of the institution is such, that immediate relief on the part of the State is certainly necessary. We have ascertained that the whole amount of bills receivable at present on hand [see Doc. D.] (and those, with the exception of the manufactured goods, are the only resource the institution is possessed of) would not, if converted into cash, discharge the *bills payable alone*, becoming due before the end of February next, by about \$4,694.90.

Other expenses, such as the pay of officers and purchases of provisions, which are chiefly bought for cash, must also in the mean time be met; and an early appropriation in order that the mercantile credit of the institution may suffer no impairment by a failure to meet its engagements is **INDISPENSABLE**.

A less sum than \$25,000 added to its present means, we believe would be insufficient, as the mercantile operations of the establishment are very extensive, and can be prosecuted to advantage only by means of a capital sufficiently large for the favourable purchase of materials, and rendering a resort to forced means for providing funds, unnecessary.

For a considerable time past, the chief and almost the only practicable mode of obtaining these, has been that of dispensing of bills receivable at usurious interest; and this practice must necessarily be continued (and at each repetition with considerable loss,) so long as the bills receivable, owing to the reduction of capital, must be made available almost as soon as they are received.

From the necessity of such infractions of the laws of the State, her institution should be freed; but even with the aid of such a mode of supply, its failure to meet its engagements could not much longer be averted.

It may by some be thought that a forced sale of the manufactures for cash, would have been preferable to the means of obtaining it that have been resorted to; but even supposing that it could in this manner have been procured in sufficient amounts, of which there is much reason for doubt, there would yet have been serious objections to such a plan of proceeding. By it, very large losses must necessarily have been sustained; the manufacturing interests generally, whether of private individuals or large establishments, would have been deeply injured by the reduction of the prices of goods of like description that it would have occasioned; and its ill effects would have continued to be realized in the impediment it would offer to an advancement of prices in future, whilst any portion of the goods so sacrificed might remain in the market.

In conclusion, your committee express their concurrence in that portion of the annual report of the board of directors of the Peni-