

the interest on the new outlay for reconstruction—and will leave large fortune to be distributed to the intelligent enterprise which shall compass this vast beneficence out of *materielle* absolutely of no value in the present condition of things.

The question next to be considered is, how is the money for these purposes to be procured?

Let the Legislature dedicate the large interest of the State in the canal, to the ends of accomplishing these grand purposes. This canal debt, as it now stands, and in the hands of the State, is absolutely of no value, and only serves to cripple the credit of the canal, and withdraw a wholesome public attention from its proper administration. Yet it has been shown, that if the canal is completed as proposed, a vitality will be imparted to it, that will give it revenues to discharge any probable cost of its perfect reconstruction.

First. Therefore let the Legislature adjust its claims upon the canal and place them in form of bonded debts bearing interest, payable at long date.

Secondly. These bonds shall be placed under control of the Board of Public Works, to be disbursed to parties who may contract with the Canal Company, to perfect the navigation of the canal on the scale herein prescribed.

Third. To give just value to these bonds, and to remove all clouds arising from priority of claim upon the future revenues of the canal, the contractors shall be empowered to negotiate an exchange of a portion of the new bonds, for the extinction of all debts of prior obligation, so that the new bonded debt of the State shall hold a prior claim upon all future incomes of the canal; and the Board of Public Works shall be directed to deliver to the holders of these new prior claims—on the order of the said contractors, such amount of the new bonds, as will purchase up (to be cancelled) all claims upon the canal existing at this time, having priority of obligation to the debt due this State; *provided*, however, that the discount on the new bonds, allowed in the exchange, shall not exceed ten per cent.; *provided*, further, that the Board of Public Works shall not disburse to said contractors any of said bonds for work done on the canal, except on certificate of the Board of Directors of the Canal Company, based upon an examination and measurement made by competent engineers.

Fourth. The Board of Public Works shall also have authority to transfer portions of these bonds, at the written request of said contractors, to parties who may purchase said bonds for ready money; *provided*, the discount shall not exceed twenty-five per cent. The money thus procured shall be deposited with the Treasurer of the State, and shall be dis-