

1. The completion of the canal to Cumberland and the necessary expenses appertaining thereto.

2. To pay the interest on the bonds that may be issued to accomplish these objects in aid of the nett revenues, until they become sufficient for the purpose, after the debts now due, for repairs and officers salaries are satisfied and paid.

These are the objects that must be provided for, in order to have the work finished, and however large the waiver, not a dollar more of bonds can be issued, than may be necessary to fulfil them. Assuming the immediate availability of the canal *after it is completed* to stop the issue of bonds for interest, and the State in fact, only retains a further contingent control over the nett revenues by enlarging the maximum beyond the amount that is now apparently required. For the bonds authorised to be issued under this act, will stand on an equality without any preference or priority over each other, and should the act be carried into effect, and any thing occur to render necessary a greater expenditure than is now anticipated from the present bids, for the purposes mentioned, the balance of bonds authorised could be used as preferred liens, of equal claim with those previously issued, to supply such deficiency.

It may perhaps, be suggested, that the smaller the amount of bonds now authorised to be issued as preferred liens, the greater will be their value. This, though plausible, as a general proposition, is in the present instance, unsound. As I have before observed, capitalists must be convinced, that with every reasonable allowance for contingencies, the provision now made for completing the canal, is abundantly sufficient, and whatever may be the extent of the authority granted, they will be secured against any greater issue of bonds than may be absolutely necessary, by the specific and defined provisions of the law in relation to the completion of the work. As soon as they are fulfilled, the power to issue is exhausted. On the other hand, the Legislature can provide for a judicious disposal of the bonds that may be authorised, by every means which in their wisdom they may deem compatible with a prompt and efficient execution of the law. By requiring the advice and consent of the State agents, who are the immediate representatives of the State in the company, to any negotiation of them, it is presumed that a sufficient guard against unnecessary sacrifices would be imposed.

As to the manner in which the bonds are to be made available; "whether by hypothecation, sale or otherwise," I am not at present prepared to answer. This will depend upon circumstances, I can only say that in case an available act be passed, it will be the earnest endeavour of the company, to raise the required amount of funds upon the most favorable terms that can be procured either in this country or Europe, and complete the canal with the strictest regard to economy.

In the special report of the Chesapeake and Ohio canal company, made on the 16th of November last, we recommended a waiver