

bursed by the Board of Public Works in the uses of the canal, on the terms and under the safeguard, above described, for the disbursement of the bonds.

Fifth. Let an association be formed, and if expedient, let it be incorporated as a Construction Company, the purpose of which shall be to construct the Chesapeake and Ohio Canal, from Cumberland to the Patapsco, on the scale herein prescribed, and to build and stock the railroads to the coal fields, and also having the further purpose of paying off and cancelling all debts of the canal, which at present hold priority of lien on its revenues, to its indebtedness to the State of Maryland. Let this Construction Company become contractors with the State, and with the Canal Company, to perfect the canal as herein set forth, and to pay said present preferred debt. Let the State and the Canal Company, on their part, contract to pass the new canal bonds to this Construction Company, under the safeguards above prescribed; and when their contract shall have been completed, and the work shall have been examined and accepted by the Board of Public Works, and by the Canal Company, let all the remaining bonds be delivered to the Construction Company, unconditionally, as of their absolute property.

The indebtedness of the canal to the State, thus liquidated and placed in disposable form, will probably be—say, \$18,000,000. In brief, it is the design of these arrangements, that the Construction Company shall contract to make a perfect navigation from Cumberland to the deep waters of the Patapsco—in consideration whereof the State shall pay them the whole of the debt due the State from the canal. The Board of Public Works is to officiate as a fiduciary, to protect the public interests in the progress of the work; and after the work has been received as faithfully executed, then the Board will turn over all remaining bonds to the contractors in absolute possession and ownership.

It may be safely assumed that the owners of the \$2,000,000 of preferred bonds would exchange their present securities, for the new bonds of the Canal Company, (bearing interest,) at a moderate discount. There would then be \$3,500,000 to be raised for completion of the enterprize; and the Construction Company would have in hand, \$16,000,000 of Canal bonds.

With such collaterals in possession, can it be doubted that they could effect a loan of \$3,500,000 for the purpose of achieving such vast public benefaction.

The canal as it stands can be made to yield six per cent. on \$5,000,000. When improved as proposed, and terminat-