

multiplies, and increases the security, but does not add to the *quantity* mentioned in the law.

Pursuant to the provisions of the act, these instruments of guaranty were duly submitted to the Governor and State Agents and received their approval, as will be seen by reference to a copy of their certificate herewith exhibited in the Appendix marked D.

By the accomplishment of this arduous and embarrassing task, the President and Directors of the company were placed in a situation to avail themselves of the benefits of the law, and they at once took efficient measures to carry it into operation. Immediately after the adjournment of the Legislature, and whilst they were exerting themselves to comply with the preliminary conditions of the act, they were at the same time gathering all the information in their power in regard to the prospect of a negotiation of a *loan* for the completion of the canal, and after the guaranties were obtained and approved, they further extended their efforts, both by correspondence and personal interviews with capitalists and others, to accomplish that desirable object. Limited and restricted, however, as they were by the terms of the law, and forbidden to make any disposition of the bonds authorised to be issued except at their *par value*, in the general depreciation of American securities, and particularly those of Maryland, they found that under existing circumstances the negotiation of a loan by the company was entirely impracticable. Their only alternative therefore in order to get the unfinished work of the canal under way to completion, was to make a contract payable in the bonds, as authorised by the provisions of the law.

The stockholders of the company with a view to the commencement of the work with as little delay as possible, at their meeting on the 23rd of July last, passed a resolution that "no previous action of the stockholders shall be so construed as to prevent the President and Directors of the Chesapeake and Ohio Canal Company, from making arrangements for the completion of the canal either by public letting or *private contract*, as may seem to them best calculated to promote the interest and facilitate the completion of the canal."

By a resolution adopted on the 6th of June, 1843, the stockholders had recommended "public advertisements in the newspapers before contracts be entered into," and the object and purpose of the resolution of the 23rd of July, above quoted, was to dispense with this requirement and leave it to the discretion of the Board to make a contract for the completion of the canal either with or without a public advertisement for proposals.

There were at that time parties prepared to finish the work for the bonds of the company, their attention having been drawn to the subject by the report of the 29th of April last, which was published at length in the National Intelligencer of the third of May, and this fact was known to the stockholders.

These parties, being the same who subsequently obtained the contract, formally submitted proposals to the Board at their next