

unnecessary, was inserted for the greater protection of the interests of the company. No change in the present plan is now contemplated, nor is it presumed that any will be advisable, but there are some "particular works" that it is thought may be dispensed with, and in case this be found expedient upon further consideration and be determined on, a provision is here made *for deducting the estimated cost thereof from the aggregate amount stipulated to be given to the contractors.*

We have likewise provided by the contract, for the means to enable the company to defray the necessary expenses that will grow out of the prosecution of the canal to completion, and the carrying into effect the provisions of the law, as is authorised by the first section thereof. If this provision had not been made, the company would have been subjected to serious difficulty and embarrassments, and most probably, would have been unable to meet the increased demands that must necessarily be made upon it, in fulfilling the objects of the law. In the absence of other resources it would have been compelled to look only to a negotiation of the bonds for the means alluded to, and, if unable to dispose of them *at par*, as was most likely, it would have been without remedy or relief. For these considerations, the Board required the stipulations in the contract above alluded to. Their import is, that the contractors are to cash 100,000 dollars worth of the bonds *at par*, certainly, and the residue that the company may be authorised to issue, if it be found necessary or expedient to use them. The object in fixing the definite sum, and embracing it in the aggregate consideration of the contract, was to enable the contractors to make their arrangements accordingly, and it is also believed, that the amount specified will be sufficient for the purposes to which it is to be applied. The general character of those purposes is indicated by the language of the law, viz: "the necessary expenses appertaining" to the completion of the canal to Cumberland.

These expenses will embrace, the payment of certain claims for land heretofore condemned for the use of the canal between Dam No. 6, and Cumberland which have never yet been liquidated or discharged—the cost of the plate and other charges which will accrue in the preparation and execution of the bonds including the State stamps, the pay and expenses of the engineer corps employed by the company in superintending the construction of the work and making the measurements thereof, &c.

As we have above stated we believe the fund thus provided will be adequate for all these purposes. If however it should prove insufficient, a further disposal of the remaining bonds, or of such part thereof as may be found necessary, is provided for.

We have also provided by the contract for the payment of the interest on all the bonds that are to be issued up to and including the half year's interest, that is to become due and payable next after the canal is completed to Cumberland.

The same reasons that influenced the Board in providing the