

proval of the State agents, to enter into a contract or contracts to have it executed and paid for directly in the bonds secured in the manner therein provided for. Which plan it may be most expedient to adopt is a matter for consideration; and, unless the Stockholders formally indicate a preference, the Board will be governed by circumstances, and after consultation with the authorities above mentioned, pursue such course as in their judgements may be most conducive to the general interests of the company, keeping in view the completion of the canal at the earliest practicable period as an object of primary importance. It would certainly be more desirable for the company to raise the money themselves, and pay for the work in cash, if a loan can be readily obtained, as by that means the field of competition among contractors would be greatly enlarged; and the only consideration that at present could have any weight with the company in favor of letting out the work to be paid for in bonds, is the saving of the time that otherwise must necessarily be consumed to perfect a negotiation. But whether this consideration should be allowed to prevail, must depend materially on the character of the bids, and the responsibility of the parties who may offer to contract for bonds, in case any such proposals should be offered. No such contract certainly will be entered into, unless the parties can demonstrate to the satisfaction of the Board that they have ample means or resources, or have made such arrangements as to leave no doubt of their ability to finish the work within the time that may be prescribed, which will not exceed two years from the commencement of operations.

Whether, however, the work be completed by contractors who can command the means and will receive the bonds in payment, or whether the Board are first to raise the money on the bonds from capitalists, and pay for the work in cash, it is very manifest that *the security given will be so abundant as to render the investment one of the best of which we have any knowledge.* By force of the law, and its acceptance by this company, the bonds will be *preferred and absolute statutory liens* on the entire nett revenues of the company, fortified by guarantees of an annual tonnage for the first five years greatly more than is necessary to yield a sum sufficient to pay the interest and the annual appropriation to the sinking fund provided by the act. The margin allowed over and above the amount necessary for the completion of the canal and payment of the necessary expenses appertaining thereto, will be applied to the payment of the interest on the actual outlay until the work is finished; and after that period the revenues of the company will be an unfailing and constantly increasing source for that purpose, and the providing an adequate sinking fund to discharge the principal of the bonds when they become due, according to the requirements of the law.

It may be proper, in this connection, to give a brief description of the Chesapeake and Ohio Canal, its dimensions, present cost, capacity, and the sources of its expected trade, in order that the strength of the security upon which the bonds are to be based may be justly appreciated.