

ible with the interests of the company, and that unless they succeeded in concluding, or making substantial progress towards the consummation of an adequate negotiation by a given day, we would take into serious consideration the expediency of adopting some decisive measures in regard to the termination of the contract.

In view of this admonition, and with renewed activity, the contractors again entered the money market. The deranged condition of monetary affairs in England, and indeed throughout the continent of Europe, forbidding the hope of aid from that quarter, they turned their attention exclusively to the United States, and through the agency of Gov. Davis and Nathan Hale, Esq., of Massachusetts, and Horatio Allen, Esq., of New York, whose services they secured, they in a short time, succeeded in concluding an arrangement, for the residue of the means required to enable them to fulfil their undertaking.

As you are aware, the company, being prevented by the restrictions contained in the act of 1844, from making a negotiation and paying for the completion of the canal in current money, availed themselves of the privilege and authority conferred by the act to make a contract for the entire work, payable in the bonds of the company, to be issued pursuant to its provisions; and, that, by the contract thus made, the company stipulate to pay in monthly instalments, as the work progresses, a gross sum in said bonds, as the entire consideration for the completion of the canal to Cumberland—the payment of the interest on the said bonds until, and including the half year's interest that will fall due next after the work is finished—and the performance by the contractors of all the other provisions of the contract on their part to be performed. The company is, consequently, not a party to the negotiation above alluded to. But, in as much as with a view of guarding and protecting, in every practicable manner, the resources which were placed at their command, and of better securing the accomplishment of the great end of the contract, it was, by its terms, well and wisely provided that no bonds were to be paid out to the contractors for any work they might execute thereunder until after they had finally concluded an arrangement satisfactory to the Maryland State Agents or a majority of them, and the Board of President and Directors, for the sale, effectual guaranty, or disposal of such amount of the bonds to which they might become entitled as would afford a reasonable assurance of their ability to comply with their engagements, the board have necessarily been made acquainted with the terms of the negotiation, and as a matter of interest to the stockholders, will here present to you an outline of its plan and details.

The basis of the negotiation consists of a deed, or instrument of writing of three parts, bearing date the 29th day of September, 1847, and executed by James Hunter, Thomas G. Harris and Wm. Beverhótt Thompson, the contractors, as the parties of the first