

contractors, are now brought into immediate connexion with this Company, in the execution of the contract for the completion of the Canal.

In addition to the negotiation for a half a million of dollars, secured by the tripartite deed above mentioned, we learn that arrangements have been made with the sub-contractors for paying them, to the amount of two hundred thousand dollars, in said Bonds, and these two amounts added to the Virginia guaranty, and the subscriptions of Washington, Georgetown, and certain citizens of Alexandria, before referred to, make an aggregate negotiation equivalent to one million one hundred thousand dollars, and leave still, of the consideration in Bonds, mentioned in the contract, a balance in reserve, amounting to one hundred and ninety-one thousand six hundred and sixty-six dollars, which the said agents and attorneys are empowered hereafter to convert into money and apply to the fulfilment of the provisions of the contract, if they shall be found necessary, or to such extent as they may be required.

The plan of negotiation having thus been filled up, it became the duty of the agents, Messrs. Davis, Hale, and Allen, to satisfy the Board of public works of Virginia, and the committee and commissioners of Washington and Georgetown, in regard to the conditions precedent upon which their contributions, and that of the citizens of Alexandria, depended. As much confidence was placed in the opinions of these gentlemen, who had carefully investigated the strength and sufficiency of the securities provided, and made a personal examination of the line of the Canal, and its sources of trade, and as the parties to whom the decision was referred were themselves familiar with the general subject, but little difficulty was experienced in this particular, and their resolves and proceedings, assenting to the arrangement as altogether satisfactory, were soon obtained, copies of which will be found in the Appendix, marked A, B, C.

The result of the arrangements and negotiation thus completed was then made known to the Maryland State Agents and the Board of President and Directors, and being considered by them a sufficient compliance with the proviso of the contract, to which we have adverted, to authorise the delivery of Bonds, in payment of monthly estimates of work done, &c. under the contract, according to its terms and provisions, the contractors and their agents and attorneys were, on the 13th of November last, apprised of such fact, and they accordingly proceeded at once to organise a force, and recommenced operations between Dam No. 6 and Cumberland, on the 18th day of the same month.

The 18th annual report contains a full synopsis of the contract as originally entered into; but the lapse of time, and other circumstances having rendered some modifications necessary and expedient, they were agreed to by the Board, with the approval of the Maryland State Agents. Soon after the execution of the contract, Walter Cunningham, one of the contractors, retired from the co-partnership, by an arrangement among the parties, and Thomas