

according to a proximate estimate of the chief engineer, it was believed would be about \$20,000. They accordingly prepared and presented a memorial to the Legislature of that State during its last session soliciting the aid alluded to. A copy of the memorial will be found in the appendix marked H, and a reference to it will supercede the necessity of our dwelling in this place on its purposes and objects which it fully explains. It will be perceived that the memorial asks for a loan from the State. This is the form in which the Company preferred to receive assistance. It would then have been immediately available, and would moreover have obviated the necessity for a new issue of bonds, which it was desirable to avoid if practicable. Instead, however, of granting the aid in the form solicited, the Legislature of Virginia, in March last, passed an act authorizing and directing the Treasurer of said State to underwrite or endorse the guarantee of the State to Bonds to be issued by this Company pursuant to said act, to an amount not exceeding \$200,000—the bonds to bear interest at the rate of six per cent. per annum payable semi-annually, and the principal to be payable not later than the first of January, 1870. By express provision the proceeds of the Bonds are to be applied only to the repair and improvement of the canal below Dam No. 6. The guaranty pledges the faith of the State for the punctual payment of both the principal, and the interest of the bonds, according to the terms thereof. For a copy of the Act see appendix I. The clauses of the act above explained are, however, as will be seen by examination of it, made dependant upon numerous conditions, in consequence of some of which, the Company have not yet been able to render it effectual. It has been, from an early day, one of the peculiar misfortunes of this company, that, when Legislative aid has been extended to it in its emergencies, the act bestowing it has been clogged with conditions, so as to retard its availability—detract from its efficacy—or in some instances to render it even of no avail. Many of the most serious embarrassments which the company has had to encounter, have arisen from this cause. In the present instance, although there are still difficulties in the way, we hope that the assistance intended to be afforded by the State of Virginia may be realized. The board are willing to comply with all the conditions, so far as they may be able to do so upon terms that are just and within the scope of their authority, with the exception of that relating to the construction of a lock opposite to the county of Berkley, prior to the year 1852. The board cannot believe that this company will have funds that may, properly and legitimately, be applied to a work of such a character by the time indicated, the cost of which the chief engineer estimates at from \$30 to \$36,000, according to the site that may be selected for its location. They also think that the lock is unnecessary, and that the facilities already afforded for the passage of boats into and out of the canal opposite that county, are amply sufficient for the accommodation of its trade.