

The amount of bonds authorised to be issued under the act of the class therein mentioned, is \$1,700,000, which shows a margin at this time, or balance remaining unissued, of \$353,500, applicable to the completion of the Chesapeake and Ohio Canal to Cumberland and the fulfilment of the objects of the act.

With a view of obviating future differences between the company and the contractors and of extending to them such assistance as could justly be afforded, the board, by virtue of a power conferred upon them by the contract, have agreed to waive any deduction from the general consideration on account of the change of plan in regard to the four locks, near Old Town, spoken of in the annual report, and of the omission of the culvert at Sheppard's, on condition that it be considered in full satisfaction of any claim, or supposed claim, the contractors may have against the company by reason of increased cost arising from change of plan in other works, or any extraneous matters.

In the appendix to our last annual report will be found a communication from the Hon. John Davis and Nathan Hale and Horatio Allen, Esqrs., who, as agents and attorneys of the contractors, have undertaken the charge of carrying their contract into execution under an arrangement, explained in our Twentieth Annual Report, which has likewise been laid before you, in which those gentlemen, in May last, expressed the opinion, that unless prevented by some adverse event of unusual occurrence, the canal would be in readiness for the introduction of the water between Cumberland and Dam No. 6 by the 1st of October. The high character and standing of the parties altogether forbid the idea that the opinion thus formally presented was not honestly entertained by them, but the work then remaining to be done proving heavier than they anticipated, or some other causes interposing which we are unable to explain, they failed to fulfil the promise thus made. The Maryland State agents and the board then found it necessary and expedient to extend the time limited in the contract for such purpose, first to the 25th of December, 1849, and subsequently to the 1st of April next, and also allow them until the 1st of May, for the execution of some of the coping, and such other pieces of work, as in the opinion of the chief engineer may be judiciously postponed until after the admission of the water and the opening of the navigation, with a view of enabling them to avail of the facilities of the canal for the transportation of suitable materials, the larger portion of which has to be brought, from a distance, to the points where it is required. The saving of cost in the manner proposed, which is not without precedent in the construction of a part of the present finished portion of the canal, is, we are satisfied, not only due to the contractors in their persevering efforts for the fulfilment of their arduous undertaking, but it is also demanded by a just consideration of the interests of the company.

Those who do not know, or who from any cause are incapable of appreciating the disadvantages under which the company has labored, may perhaps take exception to the time that has elapsed