

reference to Document CC. printed by order of the House of Delegates on the 26th of February, 1844, that capitalists regarded "the interests of the company and the State so interwoven," that whilst the State's securities were dishonored, the company's bonds could not be negotiated. The contractors felt, however, that their own private means and resources would enable them to prosecute the work until after the close of the ensuing session of the legislature, and it was confidently believed, on all sides, that, at that session, provision would be made for the payment of interest on the State debt, and that they could then make a satisfactory negotiation. Soon after the date of the contract, therefore, they commenced the work between Dam No. 6 and Cumberland, and prosecuted it until June, 1846, when the Legislature having met and adjourned without passing an act to restore the credit of the State, and their private means being exhausted, they were compelled to suspend operations.

They, however, continued actively engaged in the effort to make a negotiation, and secured the services of several distinguished gentlemen and financiers to aid them. One of the contractors went to England, for the purpose, and with the assistance of conditional promises, obtained from capitalists on this side of the Atlantic, succeeded in arranging for a negotiation there, predicated mainly upon the resumption of payment by Maryland, and upon no change taking place in the money market. As in the case of the loan for the benefit of the Illinois Canal, gentlemen had previously been appointed by English capitalists to enquire into the probable productiveness of the canal when finished, and other points submitted to them; and they had fully examined the whole subject, and made an elaborate and favorable report. At December session, 1847, this state of things was known to the Legislature, and the friends of the canal were among the most zealous and indefatigable advocates for the restoration of State faith, both on account of the good name of the State, and the known bearing of the measure upon the procurement of means for the completion of the canal. On the 6th of March, 1847, the Legislature of Maryland passed a law for funding the arrears of interest, and punctually paying the accruing interest on the state debt, after the 1st of October, 1847. On the application of the contractors, the Legislature of Virginia, on the 8th March, 1847, passed an act, accommodated to the terms of the contract, in regard to a negotiation, authorizing a guaranty of the bonds to the amount of \$300,000, which gave additional efficacy to the provisions of the act of 1844, and the District Cities and certain citizens of Alexandria, subscribed on similar terms, for \$100,000 of said bonds at their par value for the purpose of aiding the work. A panic having in the mean time, however, taken place in the English money market, the negotiation in that quarter failed, just as it was on the eve of consummation; and the contractors, turning their whole attention to this country, with the aid of the guaranty and subscriptions above mentioned, and through the medium of Messrs.