

every step contemplated and taken by it in carrying the act into effect. Upon the receipt of this opinion, the board proceeded to make the necessary arrangements, which were soon satisfactorily concluded. The whole subject was then, in accordance with the provisions of the act, submitted to the board of public works of Virginia, who thereupon released the company from the obligation to construct the lock opposite the county of Berkely, which we had objected to for the reasons stated in our annual report, and authorised the treasurer of that State to affix the guaranty of the State of Virginia to the company's bonds issued under and for the purpose indicated in the act, from time to time, when required by the company to do so. See Appendix No. 2.

We will remark, in passing, that the proceeds of the bonds are, by the very terms of the act, to be applied exclusively to the repair and improvement of the canal below Dam No. 6.

Immediately upon being notified of the favorable action of the Virginia board of public works, above referred to, the company commenced the repairs. The whole amount of bonds for repairs issued by the company and guaranteed by the State of Virginia under the said act (of the 15th of March, 1849,) to this time, is \$100,000, which have been issued in denominations of \$500 and \$1,000. The bonds are only disposed of from time to time as the money is wanted for the repairs. The whole amount sold to this date is \$51,500, which have produced the nett amount of \$51,592 33 in cash. The necessity for the repairs, to avoid heavy losses from freshets, and cheapen the cost of transportation, and the policy of making them at this time, in view of the completion of the canal to Cumberland, are matters so well known to those who have been acquainted with the condition of the work for many years past, and have been so frequently adverted to in our annual reports, that we shall not here dwell upon them. By way of illustration, however, we will refer you to the terms of certain contracts which have, as we are informed, already been entered into for the transportation of coal after the opening of the navigation to Cumberland. See Appendix No. 3. It will there be perceived that with the finished portion of the canal below Dam No. 6, in the condition it was before the commencement of the repairs, the charge for carrying coal was to be \$1 21 per ton, exclusive of the toll: with the canal repaired so as to bear five feet water, the charge was to be 95 cents; and with six feet water only 75 cents per ton. These facts need no comment.

We much regret that in consequence of the difficulties interposed, the company lost the most favorable portion of the last year for the prosecution of the repairs. But although they were only commenced in August, decided and marked advantages have already resulted from them, in the increased security of the canal. They are now being pressed forward as rapidly as the weather will permit, and will continue to be so pressed until they are finished; having due regard, however, in reference to the withdrawal of the water from the canal for the purpose to the accommodation of the