

tion of the bonds as should be required to raise the amount of funds deemed necessary for this object in addition to the resources relied on from the guaranties above mentioned, and to do this at whatever sacrifice might be demanded, with the limits above stated.

They had made contracts which they considered reliable, subject only to the ordinary contingencies, for about two thirds of the work, at rates making the cost by computation \$616,000. The parts of the work not let to sub-contractors would cost at the same rates of computation on the basis of the engineer's estimates \$310,000. These sums with \$100,000 to be paid under the contract for land damages, engineering expenses, and interest on the bonds during the progress of the work, computed at \$54,000, constituted an amount of \$1,080,000 which it was deemed indispensable to provide for in money before the work could be safely resumed and before a satisfactory assurance could be given that the contract would be completed supposing that the \$400,000 of guaranteed bonds would be saleable nearly at par, and that \$200,000 would be available at par, in payments on the contracts, it was necessary to secure the further sum of \$500,000 by a contract for the sale of bonds. It was ascertained that the best rate at which limited sales could be made in New York was 65 per cent on par value on the condition that the entire sum of \$500,000 should be raised at the same rates. A proposition was then made to the house in London, above referred to, for a loan of \$300,000 at the above rate, on the condition that the remaining \$200,000 should be secured in this country. Before replying to the proposition the agent of that house requested the opinion of Messrs. Davis and Hale, two of the undersigned, on the questions whether the guaranties above mentioned were given on such conditions as would render them available under existing circumstances, and whether with the advantages of the sub-contracts and other arrangements entered into the securing of the sum of \$1,100,000 in the manner proposed, would afford a sufficient resource to ensure the completion of the canal. They reported as the result of their enquiries and on the authority of information derived from the proper authorities in the State of Virginia, and of the municipal authorities of the three cities above named, that the conditions of their respective guaranties would be complied with by the raising of the \$500,000 in the manner proposed, in addition to the dispositions already made; and that although the sum of \$1,100,000 could not in their opinion be relied on as sufficient, to meet the cost of completing the contract, yet in consequence of the arrangements which had been made, under the judicious management of the principal contractors, the funds so proposed to be raised together with the surplus of bonds which would remain would in their opinion be sufficient to ensure the completion of the work.

An arrangement was thereupon nearly concluded in Boston for a loan of \$500,000 on the terms proposed, of which \$300,000 were to be furnished in London, and the residue by several