

Dear Sir :—The Board of Directors proposed to issue notes here inclosed, perhaps there may some hazard in this business — The Board direct me, to refer this to you, and to request your opinion to the Board in writing. This pamphlet will refer you to the law, which by some, is considered inhibitory; and which carries with it severe penalties.

Respectfully,

J. H. BATON,
Prest. Ch. & Oh. C. Co.

To Messrs. RICHARD S. COXE and R. L. TAYLOR, Attor'y at Law,

Dear Sir :—Your favor of this day has been received. I have examined the charter of the Banking institutions enclosed by you, and although the vague language used, might induce the case you propose and amount to a prohibition to the company against using such notes as you contemplate, yet the same literal construction of the Law would equally interdict the issuing of a promissory note by any private partnership; the absurdity of such an interpretation therefore clearly indicates that such a prohibition was not contemplated and I am herefore of opinion that there is no law which would interfere with the issue by the Canal Company, of the notes which it is proposed to issue.

RICHARD S. COXE.

April 14th, 1834.

The charter of the Chesapeake and Ohio Canal Company containing no provisions to the contrary, I am not aware of any law by which they are prohibited from issuing their notes for any debt due, or to become due from them to contractors or other creditors payable to such creditors, or bearer, or order, for sums not less than five dollars.

The act of the Virginia Assembly of 2d December, 1785 prohibit only the circulation of private Bank notes.

The act of 24th Feb. 1816, applies only to associations and companies formed within the limits of the commonwealth, "for the purpose of discounting bills, notes, or other securities, for the payment of money, or other valuable things, and issuing notes, drafts or bills," for the purpose of dealing, trading or carrying on the business of a Bank!

The act of the 22d Feb. 1820 and 3rd of March 1821, though in other respects more compromisive than the preceding—extend only to notes for sums less that five dollars

These acts are all that are in Virginia, and they are referred to, because the Canal Company holding its charter under the authority of that State, may on that account be held ameanable to its law although the contemplated issue of notes may be made beyond its territorial limits.

The only act of Congress, of which I am informed, which bears on this subject, is the act to incorporate the subscribers to certain