

## CORRESPONDENCE.

[COPY.]

OFFICE OF THE CHES. AND OHIO CANAL CO.  
Frederick, August 28, 1843

To MESSRS. BARINGS, BRO. & CO., London :

GENTLEMEN: As it will be desirable to show to the next Legislature of Maryland, that if the State's liens be removed, the Company can raise a sufficient amount of funds to complete the unfinished portion of the canal, I have thought it advisable to address you on the subject.

As you are aware, the entire line of the Chesapeake and Ohio canal, from Georgetown to Cumberland, is  $184\frac{1}{2}$  miles— $134\frac{1}{2}$  of this, extending from Georgetown to Dam No. 6, near the mouth of the Great Cacapon are finished and navigable.  $31\frac{3}{8}$  of the remaining 50 miles have also been completed in unconnected sections, but cannot be used until the whole are finished. Of the entire line, there remains at this time unfinished only  $18\frac{3}{8}$  miles, which when finished, will complete the canal from Georgetown to Cumberland, and bring its terminus to the Depots of the richest coal and iron region in the Union. The land has already been acquired along the whole line to Cumberland, and nothing remains to be done, but the construction of the canal. From proposals of responsible contractors, now on file in the office of the company, it is made clear that the company can complete the entire unfinished portion of the canal, for less than a million and a half of dollars. We will, however, mention that, as the sum wanted. The object of my enquiry then is, to know whether you could negotiate for the company, a loan to that amount, on the bonds of the company, payable in 20 years, and bearing six per cent. interest payable semi-annually, provided the Legislature of Maryland, at its next session, will waive its liens so as to enable the company to give preferred liens on the nett revenues and tolls of the entire canal to secure the payment of principal and interest.

I am well aware of the depressed state of American credit in the money markets of Europe, but I think the security offered for this loan, so ample and good, that capitalists would not hesitate to avail themselves of the opportunity, for a profitable investment. It will be perceived that the proposition is to mortgage the whole nett revenues of a canal  $184\frac{1}{2}$  miles long, which has already cost about \$9,500,000, and will have cost when completed, nearly \$11,000,000, to secure the payment of \$1,500,000. The interest would be paid semi-annually, and a sinking fund be provided to liquidate