

in addition to two millions which the State advanced under a law passed in 1834, as a loan secured by a mortgage of all the lands, water rights and revenues of the Company.

These great sums, together with whatever the Company could raise by the most lavish use of its credit, proved wholly insufficient, and in March 1845, twenty years after its incorporation, the Canal was unfinished, its gross revenue less than fifty-six thousand dollars a year, its means and credit entirely exhausted, and there was every prospect that the vast outlay would be wholly lost. In this extremity, the Legislature of Maryland, on the tenth of March, 1845, passed "An Act to provide for the completion of the Chesapeake and Ohio Canal." This Act authorized the President and Directors of the Company to borrow upon the bonds of the Company, one million seven hundred thousand dollars, and to secure the payment of the interest and principal of the same, by a mortgage on the revenues and tolls of the Company, and waived, deferred and postponed, in favor of such bonds, the rights and liens of the State on the revenue only, but not upon the lands, water rights and property of the Company. To this waiver of the rights of Maryland is attached a condition, which is expressed in a proviso to the Act in these words: "And provided further, that the President and Directors of said Company shall from time to time, and at all times hereafter, have the privilege and authority to use and apply such portion of said revenues and tolls as in their opinion may be necessary, to keep the said Canal in good repair for transportation, provide the requisite supply of water, and pay the salaries of officers and agents, and the current expenses of the Company.

Under this Act, a mortgage was, on the 5th day of June, 1848, executed to trustees, of whom your memorialists are the survivors and successors, whereby the whole of the tolls and revenues of the Company were pledged for the payment of the interest and the redemption of the principal of the bonds to be issued in pursuance thereof.

The State of Virginia relying on this contract, guaranteed three hundred thousand dollars of these bonds, and the residue was taken by individuals, mainly citizens of Virginia, Maryland and the District of Columbia, and by this means the Canal was finished to Cumberland, in the year eighteen and fifty.

The Company paid the interest on the bonds up to the first day of January 1852, from which time it has failed to pay the same, by reason of which failure the State of Virginia became bound to pay said interest on the bonds guaranteed by her, and she has actually paid out, and has now due her on account of such payments, and the interest thereon, a sum