

lature, was one dollar per ton. All these facts they did know, or ought to have known, before they should have assented to any reduction of tolls on the canal. They also knew it was their duty to know that for years past, upwards of one hundred thousand tons of coal, (last year 142,000,) which were transported from Allegany to Baltimore, on the railroad, at a cost of \$2 46 per ton, met with a ready sale at the latter place, and that the supply was unequal to the demand. With such a knowledge of facts, what was the obvious duty of the agents of the State representing its interests? Unquestionably to have continued the tolls at one dollar per ton, after the canal was in operation, for such a length of time as to have enabled them fully to ascertain what toll, consistently with the interest of the State, could safely be charged on coal transported on the canal to the District cities. If they had done what, from aught now before us, or within our knowledge it was their duty to have done, what would have been the result of their experiment? Why that the toll upon coal ought never to have been reduced below one dollar per ton. The cost of transportation of coal on the canal to the city of Washington, exclusive of toll, is \$1 25 to \$1 12 1-2 per ton. Take the highest sum and add to it one dollar for toll, and you have \$2 25, the cost of transporting a ton of coal from Allegany to the District, being 21 cents less than it would cost to transport it by the railroad to the city of Baltimore. That difference on price of a ton of coal, it would be supposed, offered a sufficient premium for its transportation on the canal in preference to the railroad. The navigation of the canal opened to Allegany, for the first time on some day in November, 1850, and closed in the ensuing month; during which time the coal was eagerly bought up in the District at highly remunerating prices. Instead of pursuing the course I have suggested, and which it is supposed was so apparent upon the most superficial view of the State's interest, what did the State's agents do? Why, about a month or two before the canal was completed, they united with the directors of the canal company, and reduced the tolls from one dollar to seventy-five cents per ton.

Mr. SCHLEY explained. That what he had said in regard to the subject of coal, was—that a committee of the board had been appointed, which had collected and collated much information. That that committee had reported this information to the board of President and Directors, and that the board, upon calm and mature deliberation, determined to reduce the tolls. The action of the board, not being final, as he had heretofore explained, they then called upon the State's Agents, to ratify their act. To enable the Agents of the State to know the reasons for the action of the board, the facts which had guided and impelled the board to their action, were laid before them, and the Agents, after such investigation of the subject as was satisfactory to them, approved or vetoed the action of the board. In this mode, and only in this mode, could the tolls be reduced.

Mr. DORSEY proceeded. Well, that was perfectly consistent. Now, this spring, before the canal was open for navigation, the directors of the Company and State's Agents agreed to enter into a contract to last for three years, that the toll on coal should be thirty-seven and-a-half cents per ton; provided, the owners of the coal mines would give security that there should be annually transported from Allegany to the District of Columbia five hundred thousand tons of coal for three years. The security not having been given, the contract was, it is said, put an end to, and the rate of tolls on the canal is now fifty cents per ton. For this apparently incomprehensible conduct on the part of the State's Agents, the reason assigned is their desire to bring the coal into general and extensive use as soon as practicable; and they have read to this Convention a letter or some portion of it, written by some person in New York, who it is stated, or it is to be inferred, was desirous of purchasing a large quantity of coal, and the writer recommends that the coal should be offered in the market at the lowest practicable price. That such a letter so written should be regarded as any justification or excuse, for the proceedings of the State's Agents is surprising indeed. Nor is there wisdom or advantage in the inception of the trade in coal being commenced with an excessive supply of coal to meet a limited demand. True policy would have dictated, that, for a time at least, the quantity in the market should not accumulate, but barely keep pace with the sales, if a sound, continuing, healthy market is desired. It is an easy thing to effect sales by a great reduction in prices; but it is no easy matter to satisfy and retain your customers when you restore your commodities to their original prices. Such a course of proceeding, is generally condemned among merchants, and often results disastrously. The reasons given in the explanation of the acts of the State's Agents, tend but to show the expediency, not to say necessity of their removal from office.

But there is another view of this subject which irresistably impels him to the conclusion, that a removal of its agents is imperatively demanded by the paramount interests of the State. The deep pecuniary interest which the State holds in the Baltimore and Ohio rail road company, not only by its stock held therein, but in consequence of its loan of its bonds for \$3,200,000; the interest on which must be paid by the State in the event of the rail road company failing to do so, is well known to the State's agents. They also well know that it was the original design of the Legislature of Maryland, when its immense debt for the canal was incurred, as is shown by the enactment for the cross-cut canal, that Baltimore should derive its full share of the benefits resulting from the construction of the Chesapeake and Ohio canal company, that all its other intentions were secondary when compared with this great object. That it never contemplated that the canal should be so conducted as to become a rival work to the Baltimore and Ohio rail road, and thereby withdraw from the city of Baltimore any considerable portion of those products and