

That by the Act of 1844, chapter 281, the State of Maryland did not agree to waive her rights and liens upon the revenues of the Canal Company, *except for the payment of the preferred bonds and interest thereon*. The operation of the resolution; if carried into effect, would be to compel the State to postpone her rights and liens to the payment of interest on the accrued interest on said bonds, thereby compounding the interest against the State from the time of the funding of the coupons mentioned in the resolution, and more than doubling the amount of interest which the Canal Company would have to provide for before reducing the principal of said bonds.

In view of these considerations, and of the fact that said resolution was passed hastily, and under a misapprehension on the part of the Board, of the terms of the Act of 1844, the undersigned, on the 10th inst., addressed to the President of the Canal Company, the following note :

EXECUTIVE DEPARTMENT,
Annapolis, March 10, 1870.

Hon. J. H. Gordon,

President Chesapeake and Ohio Canal Company :

DEAR SIR :—The Board of Public Works of Maryland intend to move for a rescinding of the resolution for funding the overdue coupons of preferred and repair bonds, passed at the last meeting of the stockholders of the Chesapeake and Ohio Canal Company, at the next meeting of the stockholders of said Company. In the meantime we request and instruct the Canal Board not to take any action in furtherance of said resolution until the next meeting of said stockholders.

Very respectfully, &c.,

[Signed.]

ODEN BOWIE,

Governor.

LEVIN WOOLFORD,

Comptroller.

JOHN MERRYMAN,

Treasurer.

In accordance with these views it is our intention to rescind the said resolution at the next meeting of the stockholders of the Canal Company.

We are informed by the President of the Canal Company that no action has been taken under said resolution, and that the wishes of the Board of Public Works, as expressed in the above note, will be strictly carried out. The interest of the State, in regard to this question, we therefore think, will