

said, shall be payable to the said company at the office of the Commissioner of Loans, in the city of Baltimore, out of any monies in the Treasury which may be applicable to the payment thereof, and it shall be the duty of the said company to provide for the payment of the interest on said certificates of debt, to accrue on the quarter day next ensuing the time of notice being given to the Treasurer of the sale or hypothecation of said certificates to the holders thereof

Annapolis, March 15th, 1838.

Dear Sir—It was the purpose of the Chesapeake and Ohio Canal Company, to have applied to the General Assembly at the commencement of the session, for a modification of the act of May 1836, in relation to internal improvements, so far as concerned the interests of said company, as to the disposition of the stocks, created under that act for the benefit of said company, and to enable us to avail of any favorable state of the money market, to make an advantageous sale of the same. But we were restrained from making such application during the pendency of questions before the Legislature, which must have suspended any action on such application.

It is known to the committee, that the only work in active progression is the canal, and that owing to the delay of nearly two years, in availing of the means provided by the State, we have been compelled to resort to temporary loans, and to the issue of obligations of the company—these responsibilities are now to be promptly met, and provision also to be made to meet the engagements of the company to its contractors, which, from this time until the completion of the canal, will be very heavy, and to be paid monthly. It must be conceded, that the State is deeply interested in the early completion of the canal, both in view of being principal stockholder, as well as in regard to the loan of \$2,000,000 to the company, and that it is also her interest to have the stocks disposed of on the most favorable terms. From the accounts we have of the state of the money market in Europe, we believe that an auspicious moment has arrived for the sale of American securities, and that we can only avail of it by having the control of the stocks intended for our use, under such provisions as will leave every proper security to the State for the receipt of the premium of 20 per cent, and will protect the rights of all parties concerned. The State too must be an evident gainer by such provision, both in an earlier investment of the portion which goes into the sinking fund, and in the receipts of her interest from the company, as a preferred stockholder. I would, therefore, respectfully ask of you, to propose to the committee such measure, to carry out these views, as in its judgment may seem advisable.

I am very respectfully,

Your obedient servant,

G. C. WASHINGTON, Pres.

Ches. & Ohio Canal Com.