

on the line between the Cacapon river and Cumberland; and requiring a longer time for their completion, than any other portion of the same line, we seized the earliest moment of putting them under contract, to men of acknowledged experience, energy and character. By the adoption of this course, we are satisfied that these works will be finished as soon as the other portions of the line from Cacapon to Cumberland.

But the State of Maryland, having by the aid more recently extended to this company, placed means at its command that will justify the President and Directors in making contracts to perfect the navigation to Cumberland as soon as may be possible, every effort shall be made to fulfil the public expectation, and gratify our own and the general desire, to even the least interest, dependent on the early and happy completion of this great work.

The unprecedented failure of the agriculture products of the two years, 1835 and 1836, especially so the last, has had a corresponding influence on the revenue of the canal derived from tolls. Until the final completion of the canal to Cumberland, when the vast and inexhaustible resources of that mineral region are brought into action, its chief reliance for revenue is to be derived from the products of the rich agricultural country bordering on the Potomac and its tributaries. The almost total failure of the grain crops, will therefore, rationally account for the revenue being short of our expectations. It will be seen by the accompanying statement, that under all these disadvantages, the tolls of the last exceed those of the preceding year.

The last annual report of the President and Directors to the Stockholders—a general abstract from the Treasurer of the Company, and a statement by the clerk, of its debts and credits, are forwarded with this communication, which is respectfully submitted to the Executive, and through that channel to the Legislature.

I have the honor to be,

Most respectfully,

Your obedient servant,

G. C. WASHINGTON, President.

Office of the C. & O. Co.

Washington, February 4th, 1837.