

by the President and Directors of the Chesapeake and Ohio Canal Company, but I had been informed in a letter recently received from the President of that Company that he desires, at an early period of the session to present a report showing the progress that has been made in the construction of the Canal, the present condition of the Company and its future prospects. The work has been prosecuted, I learn, with all the energy and despatch which the means of the Company justified, but under circumstances of much difficulty and embarrassment. The delay of two years before the subscription, on the part of the State, of three millions of dollars to the stock of the Company could be rendered in any manner available, and the protracted discussions of the last Session of the Legislature, involving questions as to the obligations of the State under her subscriptions, and the validity of the contract made between the Commissioners of the State and the Company, had the effect greatly to impair the credit of the Company, to excite distrust and alarm in the minds of the contractors who declined making engagements with labor, and consequently to retard the progress of the work. The sale of the certificates of debt of the State, which was arranged in violation of the contract with the Commissioners, has been effected. The Company preferring to raise means by temporary hypothecation of the certificates in this country and England, rather than by forced sale, to incur sacrifices alike injurious to the credit of the State and to the interests of all the Internal Improvement Companies designated by the Act of 1833. In addition to the heavy demands for the prosecution of its own work, and the payment of interest to the State on the two million loan, the Company has been compelled to make large advances to the Eastern Shore and the Annapolis and E. & O. Ridge Rail Road Companies for the prosecution of their respective works, in compliance with a Resolution of the Legislature of the 29th of March last.

Notwithstanding all these discouragements the Canal has been steadily pursued forward, and a force varying from twenty to five hundred to three thousand hands kept in constant employment. I am assured that the line of the Canal from Dam No. 5, eight miles above Williamsport, to Dam No. 6, near the mouth of Great Cacapon River, a distance of about thirty miles, is so near completion, that the water will certainly reach it during the present winter, and the entire line of one hundred and forty miles will be in good order and ready for the reception of a spring trade. Of the remainder of the line from the great Cacapon to Cumberland some of the sections are nearly finished, and others are in a state of great forwardness; and most of the sections and masonry are under contract, and in progress.