

they was paid into the treasury, according to the provisions of the act of 1836. Yet at the same annual session, the Legislature directed the delivery of stock to the Chesapeake and Ohio Canal Company, in the amount of two millions four hundred thousand dollars. The bonds thus delivered to that Company, were transferred to banks and capitalists on both sides of the Atlantic, & he had a pledge for temporary loans, or so to the option of the holder, for whatever discount stock would bring on a depressed market. The 5 percent. sterling stock issued in pursuance of the acts of last session and delivered to the national improvement companies, will probably pass through a similar course of degradation. When these companies are pressed by heavy engagements, which they generally contract without funds, they are compelled to sacrifice whatever securities come into their possession for the purpose of saving their own credit, and preventing the immediate ruin of their labourers and contractors. The Chesapeake and Ohio Canal Company was in this condition when it received the 6 percent stock in 1838, and the additional 5 percent sterling stock, for one million three hundred and seventy five thousand dollars, issued in pursuance of the act of last session. These stocks have been used in the payment of its debt and the fulfilment of existing contracts which could not be abandoned without the payment of heavy damages to the contractors. What loss will result from the hypothecation and forced sale of the stock, the high interest of the loans for which it was pledged, and the payment of costs and commissions, it is impossible to ascertain; but the amount will undoubtedly reduce the resources, upon which the company relied for the completion of the canal. The State has invested seven millions of dollars in loans and subscriptions for that work, which will yield neither interest nor dividend till it is finished at Cumberland. Between that place and the District of Columbia, there is no intermediate point at which it can terminate, with the least prospect of advantage to the State or profit to the stockholders. When it reaches Cumberland it will form by means of a connexion with the National Road, a cheap and easy communication with the Ohio River; and will derive a profitable business from the transportation of coal, iron merchandise and agricultural produce. The State will then begin to derive some profit from her investments; and when it is extended to the Patuxent as provided for in the Charter, Baltimore will receive a large portion of the trade to which it will give rise. But the completion of the canal and the engagements of the company will probably require three millions of dollars in addition to the sums already advanced; and in the present condition of the Treasury, it is a subject of anxious consideration whether so large an addition could be made to the public debt, without seriously prostrating the credit of the State. It was made the duty of the Executive by an act of the last session, to propose on the part of the State, to finish the Canal to Cumberland, on condition of securing a transfer of the stock, held by the General Government in the Canal Company; and that proposition has been accordingly communicated to the President of the United States. If acceded to by Congress, it will be the province of the Legislature to provide means for carrying it into effect. A report of the present condition of the company is expected, and will be communicated to the two houses as soon as it is received.

The Baltimore and Ohio Rail Road Company until recently, has avoided the error of entering into engagements beyond