

Annual - or at least demands that you should act definitely upon this question. If, in your judgment, the  
Maryland power has been rightfully exercised, you should say so, that the State may at once abandon the hope,  
which she has hitherto entertained, of pecuniary assistance from the Company - if you should think  
with me, that the Company had no right to withhold from the Treasury any part of the revenue after  
the payment of their ordinary expenses, you should so declare, and you should see, that the management  
of the Company is placed in the hands of those who will conform to your directions. In this connection  
I must refer you to the 9th section of the Act of 1838, Chapter 396, which enacts "that in consideration of the  
additional advance to be made by this State, and of the power to increase its charges for trans-  
portation of passengers, the said Company shall pay to the Treasurer for the use of the State semi-  
annually, the sum of fifty cents on each passenger transported over and less than twenty five  
miles of said Road, or one fifth of the whole amount received for the transportation of passengers,  
and it shall be the duty of the President of the Company to exhibit on oath to the Legislature on  
the 1st of January in each year, an account showing the gross amount received for the trans-  
portation of passengers, and the State's proportion thereof." I believe that this provision of the  
Act of 1838, has been altogether disregarded - although the Company received from the State  
\$750,000, the amount appropriated by that law, and upon which the State is now paying  
interest, they have never exhibited the account or made the payment required by this section -  
Consequently upon this subject is unnecessary.

Notwithstanding the increase of the receipts for the past year both for the transp-  
ortation of passengers & produce, which are shown by the annual report of the Company her-  
ewith transmitted, they have only paid to the State for the last fiscal year, \$6,000, whilst for  
the fiscal year ending on the 1st of December 1845 they paid \$20,000. This result cannot  
be accounted for upon any other hypothesis, than the one predicated in a previous part of  
this communication, viz. - that it has been conducted as a rival to the Tide Water Canal and  
not with the view to revenue. Indeed the report itself conclusively demonstrates it,  
by exhibiting the extraordinary spectacle of diminished net revenue with a large in-  
crease of business.

I have received & will transmit the annual report of the Chesapeake & Ohio  
Canal Company, which will show that this Company has been hitherto unable to avail  
itself of the provisions of the Act of 1844, Chapter 281, to complete the Canal to Cumberland,  
and that the immense amount already expended by the State in this enterprise  
must without further legislation continue a burthen upon her people. In the exam-  
ination of this subject, I desire without comment to ask your consideration of the following  
facts; 1st That the Canal has been completed to its present terminus at Dam No. 6, for a sufficient  
time, to demonstrate its inability to pay any thing to the State, so long as that shall continue  
its Western terminus; 2nd, That Maryland is the preferred Stockholder and Creditor to  
the amount of \$9,103,734 which amount is annually increased by the sum of \$371,625 the  
interest annually paid by the State on her investment in this work; 3rd, That the const-  
ruction of the Canal to its present western terminus, has cost beyond the amount advanced  
by this State, the sum of \$3,207,508, subscribed by the United States, Virginia, the District  
Cities and individuals; 4th, That Maryland is entitled to all the tolls which may be received  
on the Canal, after the payment of the ordinary expenses incident to its administration, until  
she shall receive the arrears of interest paid by her, and the accruing interest upon her  
preferred investments in that work; 5th, That the estimated cost of completing the Canal  
to Cumberland is \$1,100,000, and that the completion of the Canal by the State would  
result in placing in her Treasury, whatever may be the increase of tolls beyond the  
interest on the cost of its completion.