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Annapolis Maryland December 2^d 1839-

Sir

By an act of the Legislature of Maryland, I am directed to negotiate with the President of the United States, for the surrender to this State, of the stock of the Chesapeake and Ohio Canal Company, belonging to the United States, and the Cities of Washington, Georgetown and Alexandria, upon the condition that this State will complete the Canal to Cumberland, with as little delay as possible.

In directing me to open a correspondence with the President for this purpose, the Legislature intended, through his recommendation, to submit the proposition to the Congress of the United States. Of the grounds, on which the Legislature expected the General Government to transfer its stock, in the Canal Company, to the State of Maryland, it is necessary to make a brief explanation.

The charter of the Chesapeake and Ohio Canal Company was granted by Virginia and Maryland in the year 1824, and confirmed by Congress in March 1825. A few months before the charter was granted, the Canal Convention assembled in Washington, and taking the report of the United States Engineers as their guide, estimated the cost of the canal from tide water to Cumberland, at two millions, seven hundred and fifty thousand dollars. Of this sum, it was proposed that the United States should subscribe one million, Virginia three fourths of a million, Maryland half a million and the District Cities half a million; which subscriptions were supposed to be in proportion to the advantages, these different parties would derive from the work. Maryland made her first subscription of half a million, according to the proposed apportionment of the stock, on the condition, that the United States should subscribe for ten thousand shares or a million of dollars, and that "the residue of the money estimated by the United States board of engineers to be adequate to the completion of the eastern section of the canal should be subscribed by bonafide and competent subscribers." Congress authorized a subscription for ten thousand shares accordingly, and the residue of the sum of two millions, seven hundred and fifty thousand dollars, was subscribed by Virginia and the District Cities; though not in the proportions designated by the Canal Convention. The estimate of the United States engineers had been made for a canal, forty feet wide and four deep; which dimensions were prescribed in the charter, and were amply sufficient for the purposes of Maryland. Though