

Office Ches & Ohio C. Co.
Fred. Chas. Bay

To His Excellency
Philip St. Thomas
Governor of Maryland

Dear Sir:

Your letter of the 4th inst together with the opinion of the attorney General has been received, and as it is favorable, we shall proceed at once to carry into effect the objects proposed by the act of Virginia of the 15th of March for the relief of the Canal below Dam N^o 1.

The views expressed by the attorney General in regard to the conditions of the act, are in harmony with the positions we have assumed with the parties interested in them, and it is not proposed to make any arrangement that would be in conflict therewith.

I will briefly state to you the arrangements intended.

1. The debt due the Alexandria Canal Company at being the unsettled balance for building the northern abutment of the Aqueduct across the Potomac at Georgetown under a contract entered into between the two Companies in 1839, is to be adjusted by giving said Company a coupon bond of this Company for the amount payable in ten years with interest.

In respect to the water power this Company merely stipulates that it will grant to the said Company, to be used at points on their Canal, one half of any additional water power that this Company may hereafter deem it expedient to dispose of below Dam N^o 1, on terms not less favorable than the present or any future grants that this Company may make below said Dam. For all the water that may be granted, the Alex^a Canal Co. are to pay rent as other parties.

The action of the Berkeley County Court has been favorable to dispensing with the obligation as provided in the condition of the act in regard to the construction of the Lock opposite said County before year 1852.

And the condition in regard to the Lock opposite Loudon County is in fact a quasi waiver of an existing agreement as it postpones until the Company may have means applicable to the subject, the construction of the Lock stipulated for in the Virginia act of 1833.

Such is the mode in which it is proposed to get through each the conditions and you will perceive that both the interests of the State & of the Company have been carefully looked to. Thanking you for so promptly furnishing me with the opinion when received

I am with great respect

Your obt. Serv^t

(Signed) M. Coale Pres^t

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