

with the most important portion of the Canal system of Pennsylvania, to which in fact it is the natural and appropriate out-let on tide water. Its estimated cost was \$2,500,000, of which about \$1,700,000 have been expended. The work is reported to be three-fourths done, and if no difficulty of a pecuniary character intervenes it is understood that the Canal will be ready for use by the first of July next. The goods and produce, Coal, Lumber and Iron, brought by this work to Havre-de-Grace, must be shipped from thence to Baltimore, and elsewhere, thus affording ample employment to the large interest, already existing in the navigation of the Chesapeake.

I do not feel myself at liberty to dwell longer on the interesting subject of Rail Roads and Canals, and will, therefore, content myself with observing that when the works, above alluded to, shall have been completed, little doubt can be entertained but that they will prove profitable to the State and our enterprizing citizens. Upon the point experience is most satisfactory, and Pennsylvania, New York, Ohio and other States are now enjoying the results of the philosophy which embarked them in the system of Internal Improvement.

By the report of the managers of the State Colonization Funds, herewith submitted, (being Document marked C,) it appears that the fund, during the last year has been applied, through the agency of the State Colonization Society, in the removal of the free people, of Color, who were willing to emigrate to the Colony from Maryland, at cape Palmas, as well as to the improvement and preparation of the Colony, with a view to further emigration. The disbursements of the State Managers seem to have been judiciously regulated, and the conduct of these gentlemen, whose responsible office is without emolument and whose only compensation is the consciousness of doing good commends itself to favour and approval.

From what is reported by the State Managers, it would appear that the spirit of abolition has been actively disseminated from abroad among the free people of color of Maryland, and that it exhibits itself in opposition to the plan of Colonization; against which, particularly as carried on in Maryland, the efforts of the abolitionists have been principally directed. Wherever abolition doctrines find footing among the free people of colour they are found exhorting one another to remain in the State, alleging that this is all that is necessary to procure for them what they call their rights, by which they mean equality of condition, social and political, with the whites; and the State Colonization Society reports that in very many instances, families of free colored people, who have determined to emigrate, and have sold their property, and otherwise prepared to embark for Cape Palmas, have been diverted from their purpose by the insidious and mischievous falsehoods, and the treacherous and deceitful promises of the abolitionists. In reference to this condition of things, it would seem