

Communication from the President of the Chesapeake and Ohio Canal Company to Gov. Grason.

OFFICE OF THE CHESAPEAKE AND OHIO CANAL COMPANY,
Washington, January 23, 1839.

To His Excellency WILLIAM GRASON,
Governor of Maryland.

SIR,—Governor Veazey, in his late message informs the General Assembly, that a report would be made by this company, showing the state of its affairs, at an early period of the session. It has been delayed longer than was anticipated, in order to give the Chief Engineer the necessary time to make his report to the board, embracing revised estimates of the whole line of canal, and requiring much care and accurate calculations. That report having been received, is now submitted, as also the last report of the President and Directors to the stockholders, which, together with this communication, your Excellency is respectfully requested to lay before the General Assembly.

The works on the entire line of canal to Cumberland, have been prosecuted with all possible energy and despatch, commensurate with the pecuniary ability of the company; and indeed, not unfrequently in anticipation of means, dependent for their supply on the precarious state of the money markets at home and abroad.

During the long interval of nearly two years, between the passage of the law of June, 1836, authorising the subscription of \$3,000,000 to the stock of the company on the part of the State, and the actual delivery of the State Bonds to the company, in April, 1838, in fulfilment of that object, the favorable moment had passed by, when they might possibly have been sold, so as to realize the rate of premium prescribed by law.

In conformity with the resolutions of the General Assembly of the 29th of March, 1838, the Chesapeake and Ohio Canal Company received bonds of the State, to the amount of \$2,500,000, which, with the premium of 20 per cent. contracted to be paid by the company, made up the sum of the State subscription of \$3,000,000, for which a receipt was given to the Treasurer. The State retaining \$500,000 of the bonds as security for the payment of the premium. Anxious to make such disposition of the bonds as might best comport with the credit of the State, and the interests of this company, as also of the other important companies named in the act of 1836, we concluded to offer at public sale, a portion of the bonds, with view of trying the market; at the same time determining not to submit to any serious sacrifice. We accordingly, in the month of May, offered for sale a portion of the bonds, but received no offer which the board, in view of the above considerations, felt justified in accepting. The company being compelled to anticipate means, were largely in arrears to its contractors, and the demands to meet its heavy engagements on the