

tomac company, with interest to the 16th May, 1825, making in the aggregate the sum of - - - - \$43,280 00

Also, 220 shares of stock transferred from the old Potomac company - - - - - 120,444 44

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\$163,724 44

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The company is also indebted to the State for two millions of dollars, loaned under the act of 1834, ch. 241, which the State has the right to convert into a subscription to the stock of the company at pleasure.

To secure the payment of this loan, with interest, and the interest on the subscriptions of the State, the Chesapeake and Ohio Canal Company has executed to the State of Maryland three several deeds of mortgage upon its capital stock and all its property. The first was executed on the 23rd of April, 1835, to secure the payment of the two million loan and interest, made under the act of 1834, ch. 241. The second was executed on the 15th May, 1839, to secure the interest on bonds issued in exchange of bonds previously issued under the act passed at the extra session in May, 1836, entitled "An act to provide ways and means to meet the subscriptions on the part of the State to works of internal improvements;" and the third deed of mortgage was executed on the same 15th May, 1839, to secure the interest on one million three hundred and seventy-five thousand dollars subscribed to the company under the act of December session, 1838, entitled "An act relating to the Chesapeake and Ohio Canal Company." All these mortgages remain open and in force, and the State has never yet taken any decisive measures to enforce her rights under and by virtue of them. By the 13th section of the act passed at the March session, 1841, ch. 30, the attorney general was directed to institute proceedings of foreclosure; but that act having failed to take effect, most unfortunately, as undersigned conceives, for the interests of this company, no steps were taken in regard to the matter.

In reference to the act alluded to, it may be sufficient to state, that the company made every effort to bring about a compliance with the conditions upon which it was made to depend, and deputed Colonel Coale, one of the directors of the company, to confer with the Treasurer of the Western Shore on the subject. He proceeded to Annapolis for that purpose, and had an interview with the Treasurer, the result of which is contained in his report made to the board on his return, a copy of which is in the appendix, (marked G.)

By the unfortunate failure to receive the aid intended by that law, the company was subjected, not only to the loss of at least one year's interest upon the whole cost of the work, but the most propitious period that had ever occurred since its existence for letting the contracts for the completion of the canal to Cumberland was suffered to escape, which, together with the losses always conse-