

limitation. The whole expenditure in the construction of their works was based upon this right of connection; without it, the charter would have been useless and would have remained a dead letter.

But if the canal commissioners of Pennsylvania, can exercise an indirect control over this right, by imposing onerous conditions upon its use, or otherwise throwing impediments in the way of a free trade between the works of the company and those of the State, it may render it of much less value; and indeed this control might be so exercised as to render the right entirely useless.

Of a piece with the measure above mentioned, is the charge of three dollars upon each boat passing the outlet lock of the State works at Columbia. Each boat passing and re-passing the lock, that is, every trip, is charged by this regulation with six dollars. This forms a direct charge upon the use of the right of connexion with the Pennsylvania works, and interferes with much of the minor trade of the companies canals.

As the State of Maryland is largely interested in the works of the company it is deemed proper to submit the foregoing as some of the reasons which have prevented a more rapid increase of their revenue.

That this revenue will however go on to increase, and that rapidly from more local sources there can be no doubt. The country is but just relieved from a great state of depression occasioned by causes of universal operation and the effects are visible in the increased activity of trade and manufactures of all descriptions.

Those of iron in the valley of the Susquehanna are multiplying in all directions, and the demand for coal from the same region is greatly on the increase.

More than four thousand tons of the former, and more than twelve thousand of the latter passed through the canal the last than the preceding season, and the completion of certain works now in progress to other coal and iron regions not yet opened, but more convenient to market than any others in the State, must add largely to the tonnage of the canals.

It will be seen by the preceding, and the statements enclosed that the whole funds received from the canal since the completion of the arrangement under the act of 1843, have been applied in payment of the State interest, except those absorbed by the necessary expenditure, the fund yet in the Treasury and the sum paid to the mortgage creditors as above explained.

So much of the sum retained as may not be required for expenditure before the opening of the canal in the spring will be paid over to the State, and every effort will be made by the Board, to comply with the engagements of the company.

It will also appear that under the arrangement made in pursuance of the act of 1843, nothing was due to the State till the first day of the present month, and that the payment of \$20,000, heretofore made was made in advance.