

I will transmit to you the annual report of the Chesapeake and Ohio Canal Company, and also a supplemental report received from that company, giving a detailed account of their proceedings under the act of the last session, chap. 281, entitled "an act to provide for the completion of the Chesapeake and Ohio Canal to Cumberland, and for other purposes."

Prior to the approval by me of the guarantee, required by the 3rd section of that act, I was furnished by the company, *at my request*, with the written opinion of J. V. L. McMahon, Esq., in regard to the legality of the forms of guarantee which had been adopted by the company and submitted for my approval. The supplemental report will give you full information of the security which was given, and will furnish the evidence of sufficiency upon which my approval was based. This report will also convey to you the gratifying intelligence that since the guarantees were approved, the company have *contracted* for the completion of the canal to Cumberland, for a sum less than that limited by the provisions of this act.

It is certainly a cause of congratulation that this vexed question, which has for years rested as an incubus upon the legislation of the State, may now be considered as settled. In a few years, what is now conjecture will be settled by experience; and the interesting problem to the people of Maryland will be solved, whether the annual interest of \$400,000, with which the State is now charged for her expenditure on account of this work, will be met by the profits of the work, or continue a perpetual charge upon the people of the State. In my opinion, the wisdom of the legislation of your immediate predecessors will be vindicated by the result; and the people of will be at least partially relieved from the taxation consequent upon the advances of the State to this work.

There are some, I know, who are opposed to the completion of the canal, upon the ground that a portion of the trade which legitimately belongs to our own commercial emporium, would be thereby withdrawn to the District Cities.

This argument concedes that the canal, when completed, will relieve the State; for *the State being entitled to the entire tolls of the Canal*, it is manifest that any amount of transportation on it, which could operate injuriously to Baltimore, must necessarily yield a corresponding revenue to the State; and the issue which is raised by this argument is, whether the people of the State will submit to perpetual taxation to the amount of \$400,000, the annual interest on the investment in the canal, or risk this conjectural injury to the trade of the city of Baltimore. But this view of the question is too narrow, and those who use it, are attempting to raise a question of antagonist interest between the city of Baltimore and the residue of the State, which can be productive of no good, and which may be the occasion of much evil. There is no man in Maryland who can entertain a more *thorough conviction* than I do, that the prosperity of Baltimore is *essential* to the prosperity of the residue of the State, and of the *equal truth* of the converse of the