

in saying that the expenses incurred during the last year are less than those of any previous year, since the canal has been finished to its present navigable terminus. And, whilst we have the satisfaction to make this statement, we may also add, that the trade on the canal has been greater, and the actual *available* revenues of the company have been larger, than were ever before realized in a single year. It is true that, according to the published statements of the company, the tolls in 1841 appear to have amounted to \$57,012 29, and in 1842 to \$56,005 80; but during those years, and several years previously, they were to a great extent receivable and collected in the depreciated scrip of the company, which diminished the scrip debt, but added little to the available means of the Board; and the tariff of tolls on the principle articles transported on the canal was, in the years above *named*, raised to the *highest point* authorized by the charter, so that, as far as practicable, the increased charge might make up for the diminished value of the larger portion of the funds in which it was paid. In this way, the nominal receipts of the years 1841 and 1842 were considerably augmented, but at the same time, as in the two years immediately preceding, the actual current expenses of the company were in a great measure left unpaid. These unliquidated balances, and the *deficit* of 1843, form the debt in arrear for repairs and officers' salaries, which the Board are now discharging in the manner alluded to.

On the 20th of June, 1843, the tolls on the principal articles of transportation were restored to their former cash rates, and *current bankable funds* were required in all cases to be paid. During the two preceding years, (to wit, from the first of May, 1841, to the 20th of June, 1843,) the toll on flour, from which by far the largest portion of our revenue is derived, was at the rate of two cents per ton per mile for any distance it might be transported on the canal. By the regulation of the 20th of June, this toll was established at two cents per ton per mile for the first twenty miles, and one and a half cent per ton per mile for the residuc of the distance; and these rates have ever since been uniformly maintained. Although the toll thus charged on flour on the Chesapeake and Ohio Canal is much higher than the toll on the same article on the New York canals, or for equal distances on the Susquehanna and Tide Water canals, the cost of transportation on our canal is less than that upon any other improvement that can come in competition with it for the trade in question; and the fruitless effort made by the Baltimore and Ohio Rail Road Company to withdraw the flour trade from the canal to their road, by a reduction of their charges on the 10th of October last, has only tended to demonstrate more clearly the utter inability of that road to compete with the canal upon *equal terms* in the transportation of heavy freight. Notwithstanding the Railroad company reduced their charges on flour about one-fourth of their previous rates from points within the range of the canal, the reduction has in no perceptible degree affected the trade of the canal. The number of barrels of flour transported on the Chesa-