

peake and Ohio Canal during the last year, compared with the two preceding years, is as follows;

1842.	1843.	1844.
151,966 barrels.	156,242 barrels.	172,796 barrels.

The large increase of the flour trade on the canal during the past year, as thus exhibited, is principally attributable to the fact that the farmers and millers of the western counties of Pennsylvania, bordering on this State, have found out that the Chesapeake and Ohio Canal affords them the cheapest and most convenient mode of transportation to market, and they have consequently adopted it as their route. The trade from that quarter is gradually increasing, and we think it will continue to increase as the facilities offered by our canal become more widely known and appreciated.

The whole amount of coal carried down from Dam No. 6 during the past year was 4,871 tons. This falls short of what was expected at the time the arrangement was made with the Baltimore and Ohio Rail Road Company, as mentioned in the special report of the 16th of November, 1843; but the partial failure is susceptible of an easy explanation. Previous to the formation of that arrangement, and down to the period of its consummation, we were informed by the coal dealers, at whose instance it was proposed, that the rail road company had positively declined engaging in the transportation of coal on their road as a regular business, but merely consented to carry it occasionally, when there was a deficiency of other freight to make out their usual trains. This company, consequently, had good reason to expect that, by effecting the arrangement, the whole existing coal trade of the Cumberland region would be carried on the rail road to Dam No. 6, and be there transferred to the canal. Very soon, however, after the arrangement in question was entered into, the rail road company departed from what was regarded their settled policy, and made a contract with the Maryland and New York Coal and Iron Company, which is, *at present*, by far the most extensive operator in the coal and iron business in Allegany county, by which they secured to themselves exclusively the monopoly of the trade of that company for five years. The contract provides for the transportation of 52,500 tons of coal, iron, &c., on the rail road *to Baltimore*, at a charge of only one and one-third cent per ton per mile, whilst from Cumberland to Dam No. 6 the charge is two cents per ton per mile. By this operation, much the largest portion of the trade this company immediately calculated upon in making the arrangement has been diverted from the canal to the rail road, and the quantity of coal carried down, being mainly the produce of individual operators, has consequently been small.

In view of this plain brief statement, we think the rail road company have but little cause for the self-complacency with which they comment upon the failure of the arrangement to realize, to