

perform which, though without our control, would look like a breach of faith, I can express to you the expectation honestly entertained, that we shall be able next year, besides the payment of our current interest, to make a decided impression upon the arrears." The Susquehanna and Tide Water Canal Companies may, therefore, I think, be confidently relied on to continue the punctual payment of the annual interest due from them to the Treasury, and in the absence of any unforeseen casualty not only to discharge the unfunded arrears of interest, but to apply a portion of their earnings towards the redemption of the debt incurred, for their benefit, by the State.

The two last annual reports of the Chesapeake and Ohio Canal Company are herewith transmitted. I regret to be obliged to communicate to you the unwelcome intelligence that, notwithstanding the most confident assurances heretofore given, the canal has not yet reached its destined terminus at the town of Cumberland; nor am I in possession of any reliable information as to the period of time, at which its final completion may be certainly expected. The interest of the State in this corporation consists of

Investments as unpreferred stockholder	622,000 00
Investments as preferred creditor and stockholder	6,572,666 66
Preferred claim, for interest paid	3,645,943 75

Total	\$10,840,610 41
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From the above statement it will appear that the State has embarked her capital and credit to an infinitely greater extent in this, than in any other work of internal improvement; and if the success which has hitherto attended upon its management, is to be regarded as the best indication of its future utility, there is reason to fear that, without an essential change of system, the hopes and anticipations which the people of Maryland have been taught to cherish in reference to the fruits of this enterprise, if not doomed to perpetual disappointment, are at least liable to be indefinitely deferred.

A review of the past history and progress of this work, in its transactions with the State, may serve to admonish those, who have the largest stake in its success, of the entire inefficiency of the existing system of control, and of the consequent necessity of devising some other plan, for the more effectual protection of the public interests. The Chesapeake and Ohio Canal Company was incorporated by the Legislature of Virginia, in the year eighteen hundred and twenty-four, with a capital of six millions of dollars, and its object was the construction of a navigable canal, from tide water in the District of Columbia to the Ohio river at Pittsburg. At the December session 1824 of the Legislature of Maryland, the Virginia charter was re-enacted and confirmed, and it was, also, subsequently adopted by the State of Pennsylvania. Although the cost of the canal from Georgetown to Cumberland, as ascertained by a distinguished Engineer, then in the service of the Government, was estimated at more than nine millions of dollars, it was not found difficult to procure estimates from other quarters, deemed reliable, reducing the cost of construction between those points, to four millions five hundred thousand dollars. To this unfortunate com-