

ter. Since the passage of the act of 1844, last adverted to, the liens of the State have been further postponed by the issue, as I am informed, of the company's bonds to the amount of two hundred thousand dollars, endorsed with the guaranty of the State of Virginia, upon the performance of certain conditions precedent, and upon a pledge of the revenues of the canal for the redemption of the principal, and the payment of the interest of the loan, the proceeds to be applied to the repair and improvement of the finished portion of the work, between dam No. 6 and Georgetown. Learning from current rumor and newspaper reports, the only means of information possessed by the Executive, that such arrangements were in contemplation, I immediately addressed a letter of inquiry to the president of the Company. Ascertaining from his reply, that negotiations of the character referred to, were really in progress, and doubting both the legality, and under existing circumstances, the policy of the measure, I applied to the Attorney General for his advice, upon the question of law. That officer was of opinion that, although the company could not legally comply with some of the conditions specified in the Virginia law, yet that, under the charter and its supplements, the power resided in the corporation to anticipate its revenues by a loan, for the purpose of repairing the canal. Having no authority further to act, though still doubting the necessity of the measure, I contented myself with furnishing a copy of the opinion to the presiding officer of the company. The bonds, as before stated, have been issued, but whether either or all of the conditions named in the Virginia act have been waived, I am not able to apprise you. I have thus, under a solemn conviction of duty, omitting several matters of minor importance, presented to you a brief and truthful history of the proceedings of the Chesapeake and Ohio Canal Company, in connexion with the interests of the State, from the date of its incorporation to the present day; and if the narrative is of no other value, it at least demonstrates, that wisdom and good faith have not at all times, presided over the councils of the company.

Sensible that those having, at this time, charge of the affairs of the company, are not justly responsible for the series of reckless and delusive measures by which the State has been betrayed into her present pecuniary embarrassments, it has formed no part of my purpose to arraign either their integrity, intelligence, or good intentions. In reviewing the past relations between the State and that corporation, I have been influenced solely by a desire, to apprise you of the entire absence of all adequate control over its operations, in order that you may be admonished of the necessity and duty, of devising some other system, better adapted to the more effectual protection of the public interests. The control of the State over this and other works of Internal Improvement, has been heretofore exercised, through a board of agents, and by directors appointed by the two houses of the Legislature. By the act of 1832, chapter 318, the Governor with the consent of the council was required to appoint three agents to represent the State at the meetings of the stockholders of all joint stock companies "incorporated to make roads and canals, and to vote according to the interests