

and easy.—Under the guidance of judicious and steady counsels, we think it cannot fail to be, also—successful and prosperous.

The resolutions, passed by your Honorable Body at the Stockholders' meeting in August last, recommending to the favorable consideration of the Board "a general reduction of 33 1-3 per cent in the rates of toll on all leading articles," and a temporary reduction of the toll on coal, "to one mill per ton per mile until the Canal is completed" were, soon after their passage, considered with the respect due to the high source from which they emanated, and, after mature deliberation, the Board came to the conclusion that the reductions proposed were inexpedient, and they were accordingly not made.

The Board would very naturally have been disposed to defer to the opinions of the Stockholders, on a question of this description, if, to their minds, the effect that would be produced by the adoption of the recommendation was merely of a doubtful character, or if the experiment could have been ventured on without the hazard of serious embarrassment to the Company. But, having carefully considered the subject, not only since the passage of the resolutions, but previously, they were thoroughly impressed with the belief that a general reduction of toll in the present condition of the Canal would produce a diminution of revenue, and as the revenues are the only means by which the company is sustained, and are now barely sufficient to keep up the navigation under the most favorable circumstances, they felt constrained to pursue the course above indicated. They now deem it their duty to present concisely the reasons and considerations by which they were influenced.

The subject of the reduction of toll on the Canal was considered at some length in a communication made to the Governor of Maryland in December 1845, and again in the 18th Annual Report of this Company, as may be seen by reference thereto, in reply to an allegation contained in the 19th Annual Report of the Baltimore & Ohio Rail Road Company, wherein it was asserted, that the rates for the transportation of flour on the Canal were "*so low as not to afford a remunerating revenue.*" The allegation was examined, and refuted, and the Board, after contrasting the rate of toll charged by this Company with that charged on the Canals of New York and Pennsylvania, explained the reasons, why, in their opinion, the northern policy was, under existing circumstances, inapplicable to our work. The communication, containing these views, was, through the medium of the Executive, submitted to the Legislature of Maryland at the December session 1845, and so far as we are advised, they received at the time the general approval of the authorities of both the Company and the State.

We have seen nothing since that time to shake our confidence in their correctness, but, on the contrary, from all the information we have been able to gather on the subject, we are satisfied that the policy therein indicated is the one best calculated to subserve the interests of this Company.

When a Canal penetrates into a region where there is a saleable