

APPENDIX.

NO. 1.

(Copy.)

State Department, }
Annapolis, July 4th, 1849. }

My dear sir—Herewith enclosed, you will receive a copy of the opinion of the Attorney General of this State in reference to the right claimed by the Chesapeake and Ohio Canal Company to issue its bonds in anticipation of revenue to raise money for the purpose of repairs and improvements. The several topics discussed in the paper, were submitted to the Attorney General on the 28th of May last, and immediately after the receipt of your letter of the 25th of the same month. The opinion, although dated 28th of June, was not received here until yesterday, and I hasten to enclose you the accompanying copy.

I am, with great respect,

Your obedient servant,

PHILIP F. THOMAS.

(Signed,)

JAMES M. COALE, Esq.

Baltimore, June 28th. 1849.

Sir,—I had the honor to receive from you some time ago a communication covering certain papers, from the examination of all of which, I perceive that it is the intention of the president and directors of the Chesapeake and Ohio Canal Company to borrow on their own bonds, endorsed by the State of Virginia, and secured by a pledge of the revenues of the company, the sum of two hundred thousand dollars, for the purpose of *repairing* the canal below Dam No. 6; and the questions to which I understand you desire an answer, are—1st, whether, considering the relations which exist between the State and that company, the president and directors have the right claimed; 2d, if they have the right to borrow, whether they can effect the loan under the conditions of the law of Virginia, proposing to guarantee their bonds; the third question is, whether the president and directors can reduce the tolls of the canal since the act of 1844, ch. 281.

I have examined these questions, with all the care their importance demand, and am of the opinion—1st, that the president and directors have the right to borrow money for the purpose men-