





[Document I.]

BY THE HOUSE OF DELEGATES,
January 17th, 1843.

Read and ordered to be printed.

FOURTEENTH
ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHEESAPEAKE AND OHIO CANAL COMPANY,

TO

THE STOCKHOLDERS,

WITH

THE PROCEEDINGS OF THE STOCKHOLDERS

IN GENERAL MEETING,

DURING THE YEAR EIGHTEEN HUNDRED AND FORTY-TWO.

ANNAPOLIS:
GEO. & WM. JOHNSTON, PRINTERS.
.....
1843.



CHESAPEAKE AND OHIO CANAL.

GENERAL MEETING.

MONDAY, JUNE 6, 1842.

Pursuant to the provisions of the charter of the Chesapeake and Ohio Canal Company, the fourteenth annual meeting of the stockholders of said company was held this day, at the office of said company, in the city of Frederick, Maryland.

On motion, Samuel Sprigg, Esquire, was appointed Chairman, and Thomas Turner, Secretary.

PRESENT:

The State of Maryland, by Samuel Sprigg, Allen Bowie Davis and John Van Lear, Esquires.

The Corporation of Georgetown, by Samuel McKenney, Esq. and sundry private stockholders.

Michael C. Sprigg, Esquire, President of the Company, presented the following report, in behalf of the President and Directors of the Chesapeake and Ohio Canal Company:

To the Stockholders of the Chesapeake and Ohio Canal Company:

In obedience to the requirements of the charter, the President and Directors of the Chesapeake and Ohio Canal Company present the fourteenth annual report. Amidst the gloom and embarrassments which surrounded us at the last annual meeting, we were cheered on by the confident belief that the next General Assembly of Maryland would remedy the defects in the act of the preceding session, "for the completion of the Chesapeake and Ohio Canal to Cumberland," which had rendered it unavailable; that ere this we should have reached the termination of our greatest difficulties; and that the canal now would be in rapid progress to the point proposed. In these reasonable expectations we have been sadly disappointed. With the view of enlisting the further aid of the State of Maryland, the president of the company, on the 8th day of January last, addressed a communication to the Executive of the State, to be laid before both branches of the Legislature. As that communication, and the documents which accompanied it, give a detailed description of the wants and condition of the company up to the 1st of December, 1841, the un-

dersigned begs leave to present a printed copy thereof, (marked exhibit A,) and to make it a part of this report. And, as in that exhibit the stockholders will find fully set forth all matters connected with the management and condition of the company up to the period alluded to, it is deemed superfluous to repeat them. In addition to the appeal which is therein made, the board of directors deputed two of its members to go to Annapolis, and communicate orally with the members of the Legislature, upon the subject of completing the canal, and to devise measures for that purpose. Accordingly, they in the early part of the session proceeded to the seat of Government, and, with their aid, a bill was framed, a copy of which (marked B) is herewith appended, and which, it was believed, if enacted into a law, would prove available. The Legislature adjourned, however, without passing any bill for the benefit of the canal. Of the causes which led to this unfortunate result, it is not our province, nor is it our intention, here to speak. It is sufficient that we state the fact, and that, from that date, those of the contractors who, having based their calculations upon the probability that some provision would be made by the Legislature for the prosecution of the work, had, upon their own responsibility, continued or renewed their operations, quite in despair, and the work is now wholly abandoned. The injurious consequence of this state of things to the canal interests may be readily understood; but it is difficult to conceive, and utterly impossible to describe, the distress occasioned by it, to the contractors, and all connected with them, in their pecuniary operations along the line.

On consideration of the depressed condition of the affairs of the company, the most rigid system of economy has been adopted, in all its various departments. All officers, not absolutely necessary to its management, have been dismissed, the salaries of others curtailed, and the wages of persons in the employment of the company, along the finished part of the line, so reduced as to correspond in some degree with wages elsewhere, and to enable us gradually to liquidate our indebtedness on that portion of the canal. The clerk's statement (C) shows the number of officers in the service of the company on the 31st of May last, and their rate of compensation; and that marked D exhibits the pay of officers in service on the 18th of June, 1841 and 1842, respectively. By referring to the latter, it will be seen that a reduction of \$14,817.50 has been made in that branch of expenditure. A further diminution will be made in the course of a few more weeks.

The past year has furnished additional evidence of the strength of the canal, and of the care with which it has been constructed. No breach of any consequence has occurred during that time, nor has there been any material interruption to the navigation, from dam No. 6 to Georgetown. The tolls have consequently, notwithstanding the lightness of the late crop and the general depression throughout the country, increased, from the year ending on the 31st day of May, 1841, to the corresponding period of the

year 1842, \$12,800; that is to say, for the year terminating on the 31st day of May, 1841, they amounted to \$46,000, and on the 31st day of May, 1842, to the sum of \$58,800. The appearance of the growing crops warrant the belief that in 1843, we shall find a greater augmentation, and that they will not fall far short of \$80,000. This proof of the increasing trade is highly gratifying, nor is that of the durability of the canal structure less so, inasmuch as it brings with it also additional evidence of the fidelity of the engineers, the watchfulness of the superintendents and integrity of the contractors.

For the want of other means of meeting the current expenses of the company, repairing breaches, and occasionally affording some little relief to those of our creditors, whose wants are the most pressing, the board, on the 14th of April last, passed an order, directing the collectors to receive in payment for rent and tolls one-third in the scrip of the company, and the remaining two-thirds in current funds. The beneficial effect of this order, against which there is no complaint, has already been sensibly realized.

All experience has proved that the revenues of a canal do not depend so much upon a high rate of tolls as upon the quantities which, by a judicious regulation thereof, may be invited to it. The board of directors, with a view to promote the general interests of trade, and of so regulating the charges as to reduce the price, and thereby increase the consumption, passed an order, on the same day, lowering the rate of tolls upon plaster from two cents per ton per mile, to which it had been raised by an order of the 15th March, 1841, to one and a half cent per ton per mile for the first twenty miles, and at the rate of one cent for any additional distance. There is already reason for believing that benefits will accrue from this reduction. With the same view, and to enable the coal region of Maryland, upon which the canal so much depends, to compete with other coal regions, a similar order was at the same time adopted in relation to mineral coal. On the 15th March, 1841, the toll on that article was increased from a half cent to one cent per ton per mile; by that of the 14th April last, it is reduced to two-thirds of a cent. The still lower rate of tolls upon mineral coal on the Pennsylvania canals, and the cheapness of the Richmond coal in the markets of the District, rendered this reduction absolutely necessary. Let it be recollected, too, that, in all the calculations which have been hitherto made as to the probable revenue of the canal, coal has been set down at a half cent per ton per mile. Upon this branch of the report, we take leave further to remark that, under existing circumstances, it is not possible to fix permanently the rates of tolls.

Upon the application of Captain William Easby, an ingenious and enterprising citizen of Washington, permission has been granted him to run on the canal a newly invented steam passenger boat, of his own construction, free from toll until the 1st day

of January, 1844, upon the condition, however, that he pay the usual tolls for the transportation of freight, and that the banks of the canal are to suffer no abrasion from it. It is understood that the boat is nearly completed, and will shortly be ready for service, and the hope is sanguinely entertained, that in the course of the summer, or at furthest by the coming fall, a safe, pleasant, and cheap mode of conveyance will be afforded to those who may desire to pass between Hancock and the District, or the intermediate places.

The statement of the clerk, which is hereto annexed, (and marked E,) presents a view of the financial condition of the company on the 31st day of May ultimo. By that statement you will perceive that the liabilities of the company are,

On account of scrip oustanding	\$502,029	50	
Interest thereon	-	-	52,271 25
			<hr/>
			\$554,300 75
Bonds	-	-	75,488 50
Interest thereon	-	-	4,587 68
			<hr/>
			80,076 18
Acceptance of drafts of contractors	137,182	34	
Interest thereon	-	-	11,328 90
			<hr/>
			148,511 24
Balance due contractors	-	215,000	00
For lands condemned	-	43,000	00
Other outstanding claims	-	70,000	00
			<hr/>
			328,000 00
Interest to State of Maryland on loan	\$2,000,000		
	-	-	\$345,000 00
			<hr/>
			<hr/>
Total	-	-	1,455,888 17

And the statements of the Treasurer, which usually accompany the annual report to the stockholders, are presented herewith; that marked F, being the "general abstract of the receipts and expenditures of the company" to the 31st ultimo; G, the abstract of the receipts and disbursements in the year ending the same period; and H, a particular statement of the several descriptions of promissory notes issued by the company, outstanding 1st June, 1841, and of those which have been redeemed since that period, up to the 31st May, 1842.

You will also perceive, from both those marked F and G, that the claim against Messrs. Gittings, Swan and Gunton, still remains unsettled. All efforts to adjust that matter having proved ineffectual, a bill in chancery was filed against them in January last, by the counsel of the company, under an order of the board, to compel them to close their trust, and pay over the balance in their hands, in compliance with the terms of the deed by which the trust was created. As the law's delay defies calculation, we will not speculate upon the period when this unpleasant suit may be terminated, but hope for a speedy issue. Before concluding this report,

it may be proper to remark that, in conformity with the spirit of the resolution of the stockholders, in general meeting, on the 2nd day of April, 1841, all party influences have been scrupulously excluded from the management of the affairs of the company. The board of directors, as well as the subordinate officers along the line of the canal, have endeavored to look only to the interests of the company and the performance of their respective duties. A course of this kind cannot fail ultimately to obtain the approbation of all classes of the community, who have in view the public good, and not their own personal aggrandizement; and we have no hesitation in pledging the present administration of the company to a firm and steady adherence to it. The patronage of the company, in the hands of designing politicians, might become an engine of immense evil, not only to the company, but to the State in which it is dispensed, and therefore should be guarded with the utmost vigilance by those who have a supervisory power over the management of the company. It should also be curtailed, whenever it can be done without detriment. In this spirit, the board has acted during the past year. It is proposed, in further fulfilment of this object, to sell and dispose of all the lands of the company, which may not be wanted for canal purposes. A power is given to do this in the mortgages which were executed to the State of Maryland, the proceeds of which, however, are under the provisions of the deeds of mortgage, to be placed in the State Treasury. It is believed that the receipt of the bonds, acceptances, and scrip of the company, in payment for these lands, would prove alike beneficial to all concerned; and if the proposal meets with the approbation of the stockholders, it will be speedily carried into effect.

From the views herein presented, it will be perceived that the prospect of the Chesapeake and Ohio Canal Company are at present gloomy in the extreme. Without resources and without credit, with its property mortgaged, and its revenues pledged for a large amount, and apparently abandoned by all, it is still left to "struggle" on as best it can, until different counsels prevails in the halls of legislation, and a higher appreciation of the importance of this great work takes hold of the public mind. That the time will come when the attention of those who have heretofore most largely embarked in the enterprise will be again powerfully and effectually directed to its completion to the proper terminus in Allegany county, notwithstanding all the disappointments of the past, we still tenaciously believe. Nor shall we ever yield our hopes, so long as the general good continues to be the professed end of public action, and State honor the cherished object of popular affection and support.

All which is respectfully submitted, on behalf of the President and Directors, by

MICHAEL C. SPRIGG, *President.*

JUNE 6, 1842.

The report having been read,

On the motion of Samuel McKenney, Esq. it was

Ordered, That it be referred, with the accompanying papers, to a committee of five, to be appointed by the chair.

The chair then nominated the following gentlemen to compose the committee, viz : Samuel McKenney, John Van Lear, G. Bond Wager, A. C. Cazenove, and Lewis Johnson, Esqrs.

On the motion of John Van Lear, Esq. it was

Resolved by the stockholders, in general meeting, on the sixth June, one thousand eight hundred and forty-two, That it be recommended to the President and Directors to sell such parts or parcels of land belonging to the company as may be dispensed with without injury to the company's works, and to receive in payment the issues of the company, or the acceptances or other obligations of the company; and that public notice, of at least twenty days, be given of the time and place of sale, and the conditions on which such sales will be made.

On motion, it was

Resolved, That this meeting now proceed to the election of president and directors for the ensuing year, the polls to be kept open for half an hour; and that the chair appoint three persons to be judges of the election and receive the votes.

The chair appointed Samuel McKenney, G. Bond Wager and John Van Lear, Esqrs.

Before the ballots were prepared and the election proceeded with,

On motion of A. Bowie Davis, Esq., the meeting was adjourned, to meet again on Thursday, the 23rd instant, at 12 o'clock, M.

SAMUEL SPRIGG, *Chairman.*

THOMAS TURNER, *Secretary.*

THURSDAY, June 23, 1842.

In conformity with the order of adjournment on the 6th instant, the stockholders in the Chesapeake and Ohio Canal Company assembled in general meeting this day, at the office of said company, in Frederick.

PRESENT :

The State of Maryland, by Samuel Sprigg, John Van Lear and Allen Bowie Davis, Esqrs.

The City of Washington, by Lewis Johnson, Esq.

Samuel Sprigg, Esq., Chairman, took the chair.

A majority of the committee to whom was referred, at the last meeting of the stockholders, the report of the president and directors, not being in attendance, no report was presented.

On motion of John Van Lear, Esq. the meeting was adjourned to Thursday, the 4th day of August next.

SAMUEL SPRIGG, *Chairman.*

THOMAS TURNER, *Secretary.*

THURSDAY, August 4, 1842.

According to the order of adjournment on the 23d June last, the stockholders in the Chesapeake and Ohio Canal Company met in general meeting this day, at 12 o'clock, M., at the office of said company, in the city of Frederick.

Samuel Sprigg, Esq. Chairman, took the chair.

PRESENT :

The State of Maryland, by Samuel Sprigg, Tench Tilghman, William N. Purnell, John Van Lear, Allen Bowie and Davis, Esqrs.

George Hoskins, Esq., Mayor of the City of Frederick, appeared before the meeting, and presented, in behalf of the citizens of Frederick, a memorial remonstrating against the removal of the office of this company from the city of Frederick.

The memorial having been read and considered, on the motion of General Tilghman, it was

Resolved, That this meeting deems it inexpedient to take any action on the subject of the memorial presented on behalf of the citizens this day.

Mr. Davis offered the following resolution :

Resolved, That all future general meetings of the stockholders of the Chesapeake and Ohio Canal Company, unless otherwise ordered, in conformity with the terms of the charter, shall be held at the office of the company in the city of Frederick.

Mr. Van Lear moved to amend the resolution by striking out the word "Frederick," which motion was rejected.

And the question recurring on the resolution as proposed by Mr. Davis, the same was adopted.

General Tilghman moved the following resolution :

Resolved, That ——— be appointed a committee to investigate the subject of raising funds to complete the canal to Cumberland, and to report at the next general meeting of the stockholders.

Which was adopted ; and, on motion, the chair was directed to fill the blank in the resolution.

The chair filled the blank with the name of General Tench Tilghman.

Mr. Van Lear, from the committee to whom was referred the fourteenth annual report of the president, and accompanying papers, on the 6th of June last, presented the following report ; which was read.

The committee to whom was referred the 14th annual report of the President and Directors of the Chesapeake and Ohio Canal Company, with the accompanying papers, at a general meeting of the stockholders of said company, convened at the office in Frederick, on Monday the 6th of June last, beg leave respectfully to report :

That, in execution of the trust confided to them, they have carefully examined the same, with the books and vouchers, as also the orders on which all the appropriations were founded, and have much pleasure in stating to the stockholders that the examination has satisfied them of the competency and integrity of the officers to whom this department of the company's business has been intrusted.

The committee would also report their entire approbation of the course pursued by the President and Directors during the past year, which has been surrounded with difficulties and embarrassments, the causes of which are familiar to the stockholders, and a repetition of them is considered unnecessary at this time. They can, however, be expressed in few words: the utter bankruptcy of the company, and the consequent want of means to do any thing connected with its interests.

From a statement laid before them, it appears that the board, in order to husband the limited means within their reach, have dismissed all the officers except such as are absolutely indispensable; and have materially reduced the compensation of the present incumbents; making the total amount of salaries paid to all in the employ of the company at this time \$20,577, and showing a reduction, on the 1st of June, 1842, compared with the previous year, of \$14,817.50.

The committee also state, for the information of the stockholders, that it appears from the books of the company that its present indebtedness, over any means for payment, amounts to the large sum of \$1,232,053.23. Of this amount, the sum of \$501,374.50 is in the small issues of the company generally denominated scrip; and it is gratifying to the committee to be able to state, that during the past year the issues above described have been reduced in amount \$51,347.75—a large proportion of which was taken in for tolls.

The committee have also the gratification to state that the tolls, during the past year, amount to \$58,649.20, exhibiting an increase, compared with the previous year, of \$12,649.20; and this at a period of great agricultural distress, arising from an almost total failure of crops. If the committee can be permitted to speculate on the future, compared with the past, they would confidently predict an increase of tolls during the current year, of upwards of \$40,000, should the present luxuriant harvest realize their expectations.

All which is respectfully submitted.

JOHN VAN LEAR, Jr.
LEWIS JOHNSON.

On motion, the report was adopted.

On the motion of Mr. Davis, it was

Resolved, That this meeting will to-morrow morning, at eight o'clock, proceed to elect a president and six directors, to serve until the first Monday in June next, or until others shall be appointed in their stead.

The meeting was then, on motion, adjourned until to-morrow morning, at 8 o'clock.

FRIDAY, *August 5, 1842.*

Pursuant to adjournment yesterday, the stockholders again assembled in general meeting this morning at 8 o'clock.

The chairman took the chair.

PRESENT :

The State of Maryland, by the same gentleman as on yesterday, and Charles S. Hammond, Esq., a private stockholder.

On motion, the chair appointed Messrs. Purnell, Davis and Hammond, to be judges of election, the polls to be open for half an hour.

On the expiration of the time for receiving the votes, Mr. Purnell made the following report :

FREDERICK, CANAL OFFICE, *August 5, 1842.*

The undersigned, having been appointed by the stockholders of the Chesapeake and Ohio Canal Company, in general meeting, to be judges of election of president and directors of said company for the ensuing year, do certify that the whole number of votes given at said election was 10,282. That, of the said number, there were voted—

For Michael C. Sprigg, as President, 10,282 votes.

For James M. Coale, as Director, 10,282 votes.

For Frisbey Tilghman, Director, 10,282 votes.

For John P. Ingle, as Director, 10,282 votes.

For John O. Wharton, as Director, 10,282 votes.

For Daniel Burkhardt, as Director, 10,282.

For William Price, as Director, 10,282 votes.

And that Michael C. Sprigg, having received a majority of the whole votes, as President, was duly elected President; and that James M. Coale, Frisbey Tilghman, John P. Ingle, John O. Wharton, Daniel Burkhardt and William Price, having received a majority of the whole votes, as Directors, were duly elected Directors of said company until the first Monday in June next, or until successors should be elected.

WM. N. PURNELL.

A. B. DAVIS.

CHAS. S. HAMMOND.

On motion, it was

Ordered, That when this meeting adjourns this day, it stands adjourned until the 15th day of September next.

Mr. Van Lear offered the following resolution :

Resolved by the stockholders, in general meeting, this fifth August, one thousand eight hundred and forty-two, That the resolution adopted in general meeting on the 6th June, 1842, be amended in such a manner as to conform to the action of the president and directors on the 21st July, 1842, so far as regards the notice to be given for the sale of such property, belonging to the company, as is expressed in the resolution referred to.

General Tilghman offered the following as a substitute :

Resolved, That the resolution passed on the 6th June last, in regard to the sale of lands belonging to this company, be, and the same is hereby repealed.

The question being taken, the substitute was rejected ; and the question recurring on the resolution as offered by Mr. Van Lear, the same was adopted.

On motion, it was

Ordered, That the proceedings of this meeting, embracing the proceedings of each day since the 6th of June last, be printed in pamphlet form.

On motion, the meeting then adjourned, to meet again on the 15th of September next.

SAMUEL SPRIGG, *Chairman.*

THOMAS TURNER, *Secretary.*

APPENDIX.

A.

Communication from the President of the Chesapeake and Ohio Canal Company to the Governor of Maryland, with an appendix. December session, 1841.

OFFICE OF THE CHESAPEAKE AND OHIO CANAL CO.

Frederick, January 8, 1842.

SIR: The large interest which the State of Maryland possesses in the Chesapeake and Ohio Canal Company, and a conformity with the practice of my predecessors in office, induce me, as president of the company, to communicate to you, to be laid before the two Houses of the General Assembly of Maryland, such information as may enable them to understand the condition and prospects of the company.

An order was passed by the House of Delegates on the 1st instant, calling upon the president of the company for certain specific information in regard to the affairs of the company. A communication in reply to that call has been sent to the House, embracing full and particular answers to all the inquiries contained in the order, and a copy of the same is herewith communicated, and will be found in the appendix, (marked A.) As it covers most of the matters interesting to the authorities of the State, the undersigned considers a reference to it as proper, and as superseding the necessity of repeating its contents in this communication.

The entire length of the line of the canal, from Georgetown to Cumberland, is one hundred and eighty-four and a half miles.— One hundred and thirty-four and a half miles of this, extending from Georgetown to dam No. 6, near the mouth of the Great Cacapon, are finished and navigable. Thirty-one and seven-tenths miles of the remaining fifty have also been completed in unconnected sections; but, owing to the location of the residue, the same cannot be used until the whole is finished. Of the entire line, there remains at this time unfinished only eighteen and three-tenths miles, which, when finished, will complete the canal from Georgetown to Cumberland.

From a careful and accurate survey and estimate, made by the chief engineer and his assistants, during the past year, the results of which will be seen in report of the chief engineer, under date

of the 20th ult., contained in the appendix marked B, and which he has verified by his oath in the communication to the House of Delegates referred to, *the whole amount required to complete this unfinished portion of the canal is one million five hundred and ninety-one thousand one hundred and thirty-six dollars.* As much distrust has been entertained by the Legislature of Maryland, in former years, in regard to the amount of money called for as being necessary and sufficient to complete the canal to Cumberland, the Board, in November last, invited proposals for completing the unfinished portions, with a view of furnishing conclusive evidence on the subject. In compliance with this invitation, a very large number of bids have been made, and the undersigned is gratified in being able to give the most confident assurance *that the whole unfinished parts of the canal can immediately be let, under contract, to responsible contractors, for an amount within the estimate of the chief engineer, as above mentioned.* But comparatively small as this amount is, the company are totally destitute of the means of providing it without the aid of the General Assembly of Maryland.

By the statements of the clerk, contained in the appendix, (marked C and D,) it will be seen that the entire indebtedness of the company, on the 1st April, 1841, was - \$1,208,438 44
And that the funds in hand, and outstanding claims on that day, were - - - 258,650 99

Balance deficit, 1st April, 1841, - - - \$949,787 45

That the entire indebtedness of the company, on the 1st December, 1841, was - - - \$1,400,931 97

That the funds in hand, and outstanding claims on that day, were - - - - 204,531 42

Balance deficit, 1st December, 1841, - - \$1,196,400 55

The whole indebtedness of the company on the 1st of December, 1841, over and above what are claimed as the means of the company, will thus be seen to amount to the sum of \$1,196,400.55. The claims embraced in what are thus regarded as the means of the company consist of—

Balance in the hands of Messrs. Baring, Brothers & Co., estimating the bonds in their hands at 72 per cent. - - - -	\$77,287 06
Balance claimed in the hands of Messrs. Swan, Gittings, and Gunton, trustees appointed in April, 1840, to redeem scrip, - - - -	56,192 52
Due from stockholders, presumed good, - - - -	50,215 00
Cash in the treasury, - - - -	527 74
Advance to commissioners appointed by the Executive of Maryland to sell sterling bonds, - - - -	8,000 00
Balance in transitu from collectors, - - - -	10,620 00

Maryland 5 per cent. sterling bonds not yet issued, estimated at 80 per cent. - - -	1,689 00
<hr/>	
Making the entire claims of the company, on the 1st December, 1841, - - -	\$204,531 42
<hr/>	

Of this sum, but little can be regarded as available, nor are the company able to realize present relief from any portion of the outstanding claims above mentioned. The last advance made by the Messrs. Baring, Brothers & Co., on the bonds which had been placed in their hands by our predecessors in office, was received in September last, to the amount of ten thousand pounds sterling, from which the company realized, in current funds, the sum of forty-nine thousand nine hundred and seventy-two dollars and ninety-six and a half cents. This money, with the exception of a small sum applied to the payment of officers' salaries, was immediately disbursed among the contractors, for work done on the canal, in due proportions, according to the amount of their respective claims. The company had great difficulty in obtaining from the Messrs. Baring, Brothers and Co., the sum above mentioned, and, in view of the reduced price of the State bonds since that time, cannot calculate upon any further advances, under existing circumstances. In regard to the balance of the trust fund in the hands of Messrs. Swan, Gittings and Gunton, the undersigned has nothing to add to what has been heretofore stated in the Thirteenth Annual Report of the President and Directors to the Stockholders of the company, made on the 9th of June last, and which will be found in the appendix (marked E,) except that all efforts at a just compromise having proved ineffectual, the board have ordered legal proceedings to be instituted against the said trustees, to compel them to close their trust, according to the terms and provisions of the deed by which it was created.

Prior to the month of August last, the whole amount of tolls received were paid in canal scrip, which was not reissuable, and was consequently unavailable as a means of support in the hands of the company. In the midst of difficulties and embarrassments without example, and with no money whatever, and no other source from which any could then be procured to meet the pressing and indispensable demands of the company, the board, on the 15th of July last, passed an order, a copy of which will be found in the appendix (marked F,) directing the several collectors of tolls to require at least one-third of the tolls received by them to be paid in current or available funds. This order, which went into operation on the first day of August following, was immediately and cheerfully complied with by all the parties interested, and the undersigned is happy to say that the effect of it has proved most salutary to the company.

The whole amount of tolls received from the first day of December, eighteen hundred and forty, to the first day of December, eighteen hundred and forty-one, is fifty-two thousand five hundred

dollars. This presents a steady and gratifying increase upon former years, and the undersigned feels assured that the advance will continue to be progressive in a greatly increased ratio for the future.

On the first day of April last, there was in circulation of the scrip issued prior to 1840, - - \$15,459 50
Of the issue of 1840, - - - - 555,400 00

Total, - - - - - \$570,859 50

Since that time, and up to the first day of December, 1841, there has been redeemed and destroyed of the issue prior to 1840, - \$900 25
Of the issue of 1840, - - - 48,620 00

Total amount redeemed and destroyed, \$49,502 25

Leaving still unredeemed of the issue prior to 1840, - - - - \$14,559 25
Of the issue of 1840, - - - 506,780 00

Whole amount of scrip unredeemed on the 1st December, 1841, - - - - \$521,339 25

It is scarcely necessary to add, that the unredeemed scrip is embraced in the aggregate amount of the debts of the company, as stated in a preceding part of this communication. Much of it, particularly of that which was issued prior to 1840, has doubtless been destroyed, and will never return upon the the company.

The subscriptions to the capital stock of the canal company, up to this time, amount to the sum of eight million three hundred and fifty-nine thousand four hundred dollars, and are as follows :

	Amount subscribed.	Amount paid.
By the United States	\$1,000,000 00	\$999,990 00
By the State of Maryland	5,000,000 00	5,000,000 00
By the State of Virginia	250,000 00	250,000 00
By the Corporation of Washington	1,000,000 00	1,000,000 00
By the Corporation of Georgetown	250,000 00	250,000 00
By the Corporation of Alexandria	250,000 00	250,000 00
By individuals	609,400 00	457,518 36
Total subscribed	8,359,400 00	8,207,508 36
Total paid in	8,207,508 36	
Amount of subscriptions unpaid	151,891 64	

Of this balance unpaid, about fifty thousand is set down as separate, and likely to be paid; the residue is considered as lost and irrecoverable.

The State of Maryland also has a subscription to the stock of the company to the amount of a debt due the State from the old Po-

tomac company, with interest to the 16th May, 1825, making in the aggregate the sum of	\$43,280 00
Also, 220 shares of stock transferred from the old Potomac company	120,444 44
	\$163,724 44

The company is also indebted to the State for two millions of dollars, loaned under the act of 1834, ch. 241, which the State has the right to convert into a subscription to the stock of the company at pleasure.

To secure the payment of this loan, with interest, and the interest on the subscriptions of the State, the Chesapeake and Ohio Canal Company has executed to the State of Maryland three several deeds of mortgage upon its capital stock and all its property. The first was executed on the 23rd of April, 1835, to secure the payment of the two million loan and interest, made under the act of 1834, ch. 241. The second was executed on the 15th May, 1839, to secure the interest on bonds issued in exchange of bonds previously issued under the act passed at the extra session in May, 1836, entitled "An act to provide ways and means to meet the subscriptions on the part of the State to works of internal improvements;" and the third deed of mortgage was executed on the same 15th May, 1839, to secure the interest on one million three hundred and seventy-five thousand dollars subscribed to the company under the act of December session, 1838, entitled "An act relating to the Chesapeake and Ohio Canal Company." All these mortgages remain open and in force, and the State has never yet taken any decisive measures to enforce her rights under and by virtue of them. By the 13th section of the act passed at the March session, 1841, ch. 30, the attorney general was directed to institute proceedings of foreclosure; but that act having failed to take effect, most unfortunately, as undersigned conceives, for the interests of this company, no steps were taken in regard to the matter.

In reference to the act alluded to, it may be sufficient to state, that the company made every effort to bring about a compliance with the conditions upon which it was made to depend, and deputed Colonel Coale, one of the directors of the company, to confer with the Treasurer of the Western Shore on the subject. He proceeded to Annapolis for that purpose, and had an interview with the Treasurer, the result of which is contained in his report made to the board on his return, a copy of which is in the appendix, (marked G.)

By the unfortunate failure to receive the aid intended by that law, the company was subjected, not only to the loss of at least one year's interest upon the whole cost of the work, but the most propitious period that had ever occurred since its existence for letting the contracts for the completion of the canal to Cumberland was suffered to escape, which, together with the losses always conse-

quent upon an abandonment, cannot, it is believed, have caused an aggregate loss so much short of a million of dollars. On the 7th of August last, immediately upon being satisfied of the fact that the law could not become operative, the board passed an order suspending all the work on the canal. There were, at that time, employed on the line about seven hundred laborers, all of whom have consequently been dismissed, with the exception of two hundred, who are now engaged on the tunnel and the two sections west of it; the contractors on these sections electing to go on with their work, and trust to the justice of the State for payment by future appropriations.

During the past year, the board of directors have pursued a rigid economy; they have curtailed salaries and reduced the number of officers, wherever it could be done without detriment to the interests of the company. No additions have been made to the number in the employ of the company, with the exception of the assistant engineers, rodmen, &c., whose services were necessary to the survey and estimate of the unfinished portion of the lines, in order that the board might know with certainty the amount now required to complete the canal to Cumberland. By an order passed on the 7th day of August last, a copy of which will be found in the appendix, (marked H,) the president was authorised and directed to dismiss these, or any of them, from time to time, as their services could be dispensed with by the chief engineer, and by a resolution of the 17th September following, a similar direction was given to the chief engineer. Owing, however, to the great labor of the duties assigned to the engineer corps, and the minute accuracy with which they were required to make the survey and estimates, the same were not completed until within the last month, and the assistants are still engaged in aiding the chief engineer to project profiles of the work that yet remains to be done, so that the board may have before them an intelligible chart of the unfinished portion of the line, and be able to act understandingly when they are called upon to let out the same under contract. As this final duty is now nearly completed, all the supernumeraries will be discharged in the course of the present month. Those not actually in employ will be immediately dismissed from the service of the company. When all the contemplated reductions in the number of officers are made, as they soon will be, the current expenses of the company, for officers' salaries, will be further diminished by about five thousand dollars.

So much has been written and spoken in relation to the probable productiveness and value of the Chesapeake and Ohio Canal, when completed, not only to the region through which it passes, but to the State at large, that the undersigned conceives it hardly necessary to add any thing in this place to the various speculations that have been made on the subject. Having recently, however, obtained some valuable information in regard to similar works in the States of New York, Pennsylvania and Ohio, he deems it

proper to lay it before the Legislature of Maryland, for their consideration.

The Lackawana anthracite coal mines, at Carbondale, Pennsylvania, are $124\frac{3}{8}$ miles west of the Hudson river. They are approached by a canal which debouches at the Rondout, on the Hudson, a point 90 miles above the city of New York. This canal is 108 miles long from the Rondout to Honesdale, from which to Carbondale is $16\frac{3}{8}$ miles, by rail roads. Thus the distance from the mines at Carbondale to New York city is, by rail road $16\frac{3}{8}$ miles, by canal 108, and by the Hudson 90 miles; total $214\frac{3}{8}$ miles.

The mines are anthracite, the vein is thick, but at a considerable angle with the horizon. The coal requires blasting. Two miners get out eight tons per day, and one laborer takes it in small cars to the mouth of the mine, where it is received into the rail road cars. These small cars take about 2,500 lbs. each at a load, and the rail road cars each about $2\frac{1}{2}$ tons. The cost of mining and delivering into the rail road cars 60 cents per ton. There are about 370 men employed in mining.

The rail road has six inclined planes, the greatest inclination being 1 in 12. The plane next to the mine is worked by water power, and is 1,000 feet in length. The other five planes are worked by steam power, with engines of about 30-horse power each. Four cars are taken at one time up the planes, the return or empty cars being let down by the same process. Between the planes, or from one to another, a single horse takes five loaded cars. The ascent from the mines is about 1,000 feet, and the descent to Honesdale about the same. In descending towards Honesdale, after passing the planes, there are two *levels*, as they are termed, one of 6 and the other of 4 miles. The cars descend the first by gravity, 25 or 30 together, having other cars attached, with two horses each, to bring back the empty cars.

The grade of this level is 40 feet to the mile, and time occupied in descending is one hour. Over the second *level* a single horse takes down 5 cars, and returns with them empty. The cost over this road is 65 cents per ton; making the cost of mining and transporting to Honesdale \$1.25 per ton.

To manage the transportation on the road requires 100 men, besides 20 carpenters for repairs. The road is built on trussel work, and in some places is 40 feet above the ground. Where horse power is used, the road is bridged. This is a cheap road to construct over a rough country, but expensive and cumbrous to transport upon. Hence the necessity of so many men to manage the transportation, and carpenters to keep it in order.

The canal is 4 feet deep by 36 wide, commences at Honesdale, and has six hundred feet of lockage to Rondout. Boats carry from 30 to 32 tons, and draw, when loaded down, 36 inches.—Cost of transportation from Honesdale to Rondout, 108 miles, \$1.50 per ton. If the coal be not immediately delivered to the boats, but deposited at Honesdale, the additional cost is $12\frac{1}{2}$ cents

per ton, or \$1.62½ per ton. The boating is done by individuals, who are paid these rates. One horse only is attached to a boat and performs a trip in 9 or 10 days, averaging 18 trips a season. From Rondout to the city of New York the cost of transportation down the Hudson river is 50 cents per ton; making the whole cost of transportation not less than - - - \$3 25 per ton. Worth of the coal at the mine, say - - - 20 "

3 45 "

The company deliver 800 tons per day during the season, and every thing works up to that quantity; making for the season 200,000 tons in New York, at a clear profit of \$500,000 per annum. This information is derived from a source entitled to the highest credit, and affords unquestionable data upon which to institute a comparison between the results of the labors of that company and the capabilities of the mining region of Allegany county; and although we have not the same data in regard to the latter, yet enough is known to gather from such comparison an approximate estimate of the value of that region, and the advantages likely to flow from a completion of the Chesapeake and Ohio Canal.

The average yield of two miners is, per day, 10 tons, and the cost of delivery at the mouth of the mine, all expense included, not exceeding, at most, 40 cents per ton. The average distance from the mines in the Frostburg region to Cumberland is 10 miles, on routes uniformly descending, and the cost of transportation, assuming high rates, 3 cents per ton per mile, or 30 cents per ton. By canal to the District is 184 miles. Our boats will carry 80 tons; therefore, the cost of carriage will or ought to be less than theirs, for the distance is as 184 to 108; but having nearly three times the capacity, and the boats taking three times the quantity, the cost of carriage ought to be a mean between the relative distances and relative capacities of the two canals.

But allow ½ per cent. per ton per mile, on the Chesapeake and Ohio Canal, and the toll to Georgetown will be, per ton \$1 00

Mining and transporting to Cumberland, over a descending road	70
Cost of transportation to Georgetown	1 00
Value of coal at the mine, say	28

Total to Georgetown	2 98
Transportation to New York	1 50

4 48

In New York the anthracite coal sells at \$7 per ton, and the bituminous at from 9 to 13 dollars, according to quality.

The Erie Canal, in the State of New York, is forty feet wide by four feet deep, and the original cost was about ten millions of dollars. In 1831 the tolls amounted to \$1,091,714.26, and gra-

dually increased till 1840, when they amounted to near \$1,776,000; and from sources entitled to credit, we are informed that, in 1841, they fell but little short of, if they did not exceed, \$2,000,000.

The maximum capacity of the Erie canal, as originally constructed, with single locks, is 742,500 tons. The average weight of the descending cargoes about 45 tons. The dimensions of the Chesapeake and Ohio Canal are much greater than those of the Erie Canal, and will carry boats averaging 80 tons burden, with the same or greater facility than that canal carries its 45 ton boats. The above 742,500 tons, therefore, should be increased in the ratio of 45 to 80, to arrive at the capacity of the Chesapeake and Ohio Canal as compared with that of the Erie Canal. Again: the year of navigation in New York averages not more than 235 days, whereas in Maryland it is fully one-fifth longer. Add the one-fifth, or 47 days, and it makes the year of navigation on the Chesapeake and Ohio Canal 282 days.

The result, then, is as follows, viz:

Capacities of the present Erie Canal for a year of 235 days, with boats of 45 tons, - - - -	Tons. 742,500
Add for the larger boat of the Chesapeake and Ohio Canal, - - - - -	577,500
Add, also, one-fifth for the year of navigation, as explained above, - - - - -	264,000

And taking for guide the experience of the New York Canal, we have - - - - - 1,584,000 tons as the maximum capacity of the Chesapeake and Ohio Canal, as regards tonnage alone in one direction only, and with single locks. So great have been the benefits derived from this canal to the great State of New York, that it is now being enlarged to a width of seventy feet, and a depth of seven feet, and at an additional cost of about thirty millions of dollars. This single fact speaks volumes. It is worthy of remark, too, that the whole amount of the coal trade on this canal has not exceeded ten or fifteen thousand tons.

The Ohio Canal, in the State of Ohio, also presents encouraging results. In 1840, the tolls on that canal amounted to \$452,122, which is over "seven per cent. on the cost of the canal, after deducting every expense for superintendence and repairs," and this, too, without the advantage of any coal trade.

When these facts are taken into consideration, and the additional conceded fact, that, *ceteris paribus*, a canal penetrating a coal region is much more productive than one depending mainly upon agricultural products for support, the superior advantages of the Chesapeake and Ohio Canal are manifest and unquestionable. That, when completed, this great work will realize all the most sanguine anticipations of its most ardent supporters, there can be but little doubt. Nothing is wanting but the action of the Legislature of Maryland, to which alone the company look for

succor, to provide the means for completing the work with the least practicable delay. Will those means be provided? Will the Legislature now, after having toiled through difficulties and embarrassments of every description in its liberal support of this great enterprise, be unwilling to lend its aid now, when the completion and final triumph of it is so near at hand? Standing as it now does, the canal is a dead weight upon the energies of the State. Finish it to Cumberland, and it will not only cease to be a mendicant at the door of the Treasury, but it will become a source of revenue to the State. The undersigned is fully sensible of the unexampled character of the present pecuniary crisis, and how difficult it will be, with the most favorable intentions, to provide a fund for the completion of the canal under existing circumstances; but the hope is still entertained that, by a judicious system of legislation, arrangements may be made by which adequate means can be obtained. And when it is now conceded, on all sides, that the canal is the only source from which the State can hereafter be relieved from the heavy direct taxation that now oppresses her, a wise forecast would indicate its speedy completion, as the first and paramount object to which her efforts should be directed. The undersigned, therefore, most respectfully and earnestly invites the early attention of the General Assembly of Maryland to the subject. All which is respectfully submitted.

By order of the Board,

M. C. SPRIGG,

President Chesapeake and Ohio Canal Company.

His Excellency FRANCIS THOMAS,

Governor of Maryland.

APPENDIX TO THE FOREGOING COMMUNICATION,

CONTAINING

DOCUMENTS A, B, C, D, E, F, G and H.

(A.)

OFFICE OF THE CHES. AND OHIO CANAL CO.

Frederick, January 7, 1842.

SIR,—I yesterday received the order of the House of Delegates, passed on the 1st instant, calling upon the President of the Chesapeake and Ohio Canal Company to report to the House of Delegates, “at as early a day as possible, what progress has been made during the year 1841 towards the completion of said canal; what amount of State bonds have been sold or hypothecated by said company in the year 1841; to whom sold or hypothecated, and at what price or prices; what disposition has been made of

the bonds authorised to be issued by an act passed at December session 1840, chapter 30; if said bonds remain unsold, what efforts have been made to realise the money for the same; what price or prices the company have been offered for them; what amount of the State bonds the company hold that are not hypothecated. Also, report what the debts and liabilities of the company are; also, to ascertain from the chief engineer, under oath, what amount of money will be required to complete the canal to Cumberland; what has been the amount of tolls collected during the last twelve months; what was the amount of income above the expenditures; what number of officers, agents and engineers, were in the employ of said company when the said president took charge of said company; what are the number of officers, agents and engineers, that are now in the employ of the said company; what extra allowance, if any, has been given, or permitted to be given, to those employed, and to whom given; and what are the salaries of the different officers."

Immediately upon the receipt of the order, the distinct inquiries appertaining to matters immediately under charge of the clerk, chief engineer and treasurer, were respectively referred to them; and I have the honor, herewith, to communicate their several reports, which embrace answers to all the interrogatories contained in the order.

It will be perceived that the corps of engineers was increased in April last. This increase was made in order to enable the company to comply promptly with the 8th section of the act of 1841, chapter 30, which was passed on the 5th day of said month, so soon as the act should become operative, of which the company at that time entertained no doubt. A careful, complete and particular survey and estimate of the entire unfinished portion of the canal was ordered by the board on the 13th of April, immediately after coming into office, for the purpose of determining the amount necessary to complete the work. The result of the admeasurement and estimate will be seen in the answer of the chief engineer to the interrogatories referred to him, and contained in his report, which is herewith communicated. The company derived no aid whatever under the act of March session 1841, chapter 30. That act failed to take effect, in consequence of the inability of the coal and iron companies of Allegany to give to the Treasurer of the Western Shore satisfactory bonds and security for a compliance, on their part, with the conditions contained in the tenth and twelfth sections of said act. The companies in question had every disposition to comply with the conditions required of them, and tendered their corporate bonds, together with liens on their possessions, as the undersigned has been informed; but, as the encumbrances on them were large, the Treasurer did not conceive such security adequate, for reasons stated in his annual report to the Legislature, and therefore refused to accept them. The consequence was, that by the express provisions of the section referred to, the act of 1841, chapter 30, for

the completion of the canal to Cumberland, became wholly inoperative, and the canal company thereby failed to obtain that aid which the Legislature had so munificently provided.

The undersigned deems it his duty, in this connexion, again most earnestly to invite the attention of the Legislature to the condition of the canal company, which exists now only by the fostering aid and protection of the State. If in March last, the necessities of the company and the interests of the State, commanded the aid intended by the act referred to, which became inoperative by circumstances not contemplated by the framers of the law, how much more strongly does the subject address itself to favorable consideration? So long as the canal remains in its present unfinished condition, it will continue to hang like a millstone upon the pecuniary resources of Maryland; but when completed to Cumberland, as it now can be, for the comparatively small sum of one million six hundred thousand dollars, it will not only cease to be a burden to the State, but become a source of increasing and exhaustible revenue. The subject has ceased to be a question of internal improvement, and now lies at the foundation of the financial system of our State. The undersigned is aware of the difficulty of procuring funds sufficient for the completion of the canal, in the present unexampled condition of State securities, but trusts that the wisdom of the Legislature will devise ways and means to meet the question, relying with confidence upon the work, when completed, for an ample and speedy remuneration of any advances that may now be made. All which is respectfully submitted.

By order of the board,

M. C. SPRIGG, *President.*

The Hon. the SPEAKER

of the House of Delegates of Maryland.

TREASURER'S OFFICE, CHES. AND OHIO CANAL CO.

Frederick City, January 7, 1843.

GENTLEMEN,—In fulfilment of your order of this date, "that the treasurer report forthwith:"

1. What amount of State bonds have been sold or hypothecated by the company, in the year 1841; to whom sold or hypothecated; and at what price or prices?

2. What disposition hath been made of the bonds authorised to be issued by an act passed at December session 1840, chapter 30? If said bonds remain unsold, state what efforts have been made to realize the money for the same; what price or prices the company have been offered for the same.

3. What amount of State bonds the company hold, that are not hypothecated?

4. What are the debts and liabilities of the company?

5. What has been the amount of tolls collected during the last twelve months?

6. What was the amount of income above the expenditure?

I report—1. That no bonds of the State of Maryland have been sold or hypothecated by the company in the year 1841.

2. That no bonds have been issued to this company under the act of December session 1840, chapter 30—that act having become inoperative in consequence of the non-fulfilment of its conditions precedent by the parties to whom it applied.

3. That there remain yet unissued by the Commissioner of Loans bonds to the amount of £475 sterling, to which the company is entitled, under chapters 386 and 396, of December session 1838.

4. The debts and liabilities of the company on the 1st December, 1841, amount, as far as can be determined, to the sum of \$1,400,931.97.

5. That the amount of tolls which have accrued in the year ending the 30th November, 1841, may be estimated at the sum of \$52,500.

6. That the amount of moneys which passed into the treasury in the same period, was \$695,849.10.

And the amount paid out therefrom, \$690,418.73.

Very respectfully,

Your obedient servant,

ROBERT BERNARD, *Treasurer.*

The PRESIDENT and DIRECTORS

Chesapeake and Ohio Canal Company.

CANAL OFFICE, FREDERICK, *January 7, 1842.*

GENTLEMEN,—I am required, by your order of this date, to report forthwith to the Board—

1. “What progress has been made during the year 1841 towards the completion of the canal?”

2. “What amount of money will be required to complete the canal to Cumberland—the same to be verified by the oath of the chief engineer?”

1. Assuming \$6,000 for the amount of work done in December, 1841, (which has not yet been estimated, but which cannot vary much from this sum,) and the work done on the 1st of January, 1842, on the fifty miles of unfinished canal between dam No. 6 and Cumberland, amounted to \$2,845,864. The work done on the 1st of January, 1841, (see chief engineer’s report of February 15, 1841,) amounted to \$2,614,757. The difference between these two sums, (viz: \$231,107,) is the amount of work done, during the year 1841, on the fifty miles of unfinished canal.

2. The amount of money required to complete the fifty miles of unfinished canal, on the 1st of January, 1842, was \$1,591,136. To this sum, \$100,000 should be added, in case the composite plan should not be adopted for nine of the remaining locks, and certain other minor changes in the plan of the work should not

be made, as explained in my report to the board of the 20th of December, 1841.

It can hardly be necessary for me to state that the present estimate, like all the preceding ones, does not include any allowance for interest, but is confined exclusively to the cost of the construction of the canal.

The details of the present estimate are all given in my report of December 20, 1841, now before the board.

Respectfully submitted,

CHARLES B. FISK, *Chief Engineer.*

The PRESIDENT and DIRECTORS

of the Chesapeake and Ohio Canal Company.

STATE OF MARYLAND, *Frederick county, to wit:*

On this 7th day of January, 1842, before me, the subscriber, a justice of the peace for the county and State aforesaid, personally appears Charles B. Fisk, chief engineer of the Chesapeake and Ohio Canal Company, and makes oath, on the Holy Evangelical of Almighty God, that, according to the best of his judgment and belief, the sum of one million five hundred and ninety-one thousand one hundred and thirty-six dollars will be required to complete the Chesapeake and Ohio Canal to Cumberland, upon the plan detailed in his report of the 20th of December, 1841, above referred to, and that that sum of current money will be sufficient for the purpose.

Sworn before

MICHAEL BALTZELL.

CANAL OFFICE, FREDERICK, *January 7, 1842.*

GENTLEMEN,—In response to your order of this day, requiring “that the clerk report forthwith to the board—

1. “What number of officers, agents and engineers, were in the employ of the company when the present president took charge of the company?”

2. “What number of officers, agents and engineers, are now in the employ of the company, and what are their respective salaries?”

3. “What extra allowance has been given or promised to be given, to those employed, and to whom?”

I respectfully submit the accompanying papers, (marked A and B) as replies to the first and second branches of the order.

To the third I reply, that no extra allowance has been given or promised, to any officer, agent or engineer employed.

Very respectfully,

Your obedient servant,

THOMAS TURNER,

Clerk Chesapeake and Ohio Canal Company.

The PRESIDENT and DIRECTORS

of the Chesapeake and Ohio Canal Company.

List of officers, engineers and agents, in the employ of the Chesapeake and Ohio Canal Company, on the 2d day of April, 1841, the day on which the present Board of President and Directors were elected, with the rate of compensation paid to each annually.

Francis Thomas, (president,) compensation per annum	\$3,000
Dr. William Tyler,	} Directors, \$4 per day, whilst actually employed as such, not to exceed \$300 per annum, for each one,
Jacob Markell,	
John McPherson,	
Robert P. Dunlap,	
James Swan,	
William Lucas,	
Thomas Turner, clerk,	1,800
Edward Shriver, assistant clerk,	1,000
Ezra Houck, collector general of tolls,	1,000
Samuel Tyler, treasurer and accountant,	1,400
Albert Maybury, messenger,	200

\$10,200

Elwood Morris, chief engineer,	\$4,000
Henry M. Dungan, assistant engineer,	1,200
Thomas L. Patterson, assistant engineer,	1,200
Jacob C. Schnebly, rodman,	540
Benjamin F. Brennan, rodman,	540
Two chain and axemen,	730
Samuel M. Semmes, commissioner,	1,000

9,210

John Y. Young, superintendent 1st division,	\$800
William O'Neale, superintendent 2nd division,	800
John D. Grove, superintendent 3rd division,	800
Joseph Hollman, superintendant 4th division,	800
Benjamin F. Mackall, collector of tolls at Georgetown,	800
P. McGaughan, collector of tolls at Point of Rocks,	300
William Mc. Kepler, collector of tolls at Williamsport,	400
Arthur Blackwell, collector of tolls at Hancock,	400
John Hilton, keeper of lock B,	50
James O'Riley, keeper of locks Nos. 1, 2, 3 and 4,	500
Thomas B. Offutt, keeper of lock No. 5 and guard lock,	250
James Dalzell, keeper of lock No. 6,	150
Michael Hart, keeper of lock No. 7,	150
Levi Barrett, keeper of lock No. 8,	150
Osbourn Crawford, keeper of locks Nos. 9 and 10,	200
Wilton Burgess, keeper of lock No. 11,	150
Frederick Metts, keeper of locks Nos. 12, 13 and 14,	250

Hezekiah Metts, keeper of locks Nos. 15 and 16,	\$276
William H. Henderson, keeper of locks Nos. 17 and 18,	276
D. Collins, keeper of locks Nos. 19 and 20,	200
Robert C. Fields, keeper of lock No. 21,	150
John Fields, keeper of lock No. 22,	150
Win. H. Hammontru, keeper of lock No. 23 and guard lock,	200
Charles H. Shanks, keeper of lock No. 24,	150
Asa Aud, keeper of lock No. 25 and outlet,	250
James Fitch, keeper of lock No. 26,	150
Thomas Walter, keeper of lock No. 27,	150
James Davis, keeper of lock No. 28,	150
John Walter, keeper of lock No. 29,	175
W. Kuhn, keeper of lock No. 30,	100
Dennis Harrison, keeper of lock No. 31, &c.	175
A. W. Jones, keeper of lock No. 32,	175
W. S. Elgin, keeper of lock No. 33 and collector of tolls,	300
John Crowley, keeper of lock No. 34,	175
William McKay, keeper of locks Nos. 35, 36 and guard,	300
John Kerchwell, keeper of lock No. 37,	150
George Hughes, keeper of lock No. 38 and outlet,	200
Joseph Gwyn, keeper of lock No. 39,	150
Andrew McKoy, keeper of lock No. 40,	150
Levi R. Shaw, keeper of guard lock No. 4,	150
Henry Boyd, keeper of locks Nos. 41 and 42,	200
Michael Crisman, keeper of lock No. 43,	150
Joseph Hollman, keeper of lock No. 44—water power granted.	
Jacob Motter, keeper of guard lock No. 5,	150
John Herbert, keeper of locks Nos. 45 and 46,	200
Daniel Brewer, keeper of locks Nos. 47, 48, 49 and 50,	300
Upton Rowland, keeper of locks Nos. 51 and 52,	200
H. Conner, keeper of lock No. 53,	150
Thomas Fleming, keeper of guard lock No. 6,	175
Superintendents, collectors and lock keepers,	<u>\$12,777</u>

SUMMARY.

The President, Directors and clerks, (\$300 each Director)	\$10,200
Engineers, rodmen, axemen and commissioners,	9,210
Superintendents, collectors and lock-keepers,	12,777
Total	<u>\$32,187</u>

THO. TURNER,

Clerk of the Chesapeake and Ohio Canal Company.

CANAL OFFICE,

Frederick, January 7, 1842.

List of officers, engineers and agents, in the service of the Chesapeake and Ohio Canal Company, on the 1st day of January, 1842, with the rate of compensation paid to each annually:

Michael C. Sprigg, President	- - - - -	\$1,000
James M. Coale,	} Directors, \$4 per day when actually employed, not to exceed each per annum - - - - -	1,800
Frisby Tilghman,		
J. P. Ingle,		
J. R. Dall,		
J. O. Wharton,		
D. Burkhart,		
Thomas Turner, clerk and superintendent of tolls	- - - - -	1,500
Robert Barnard, treasurer and accountant	- - - - -	1,200
	Total	5,500
Charles B. Fisk, chief engineer	- - - - -	\$3,000 00
John A. Byers, assistant engineer	- - - - -	1,100 00
Charles H. Randolph, assistant engineer	- - - - -	1,100 00
Henry M. Dungan, assistant engineer	- - - - -	1,100 00
Samuel H. Williams, assistant engineer	- - - - -	1,100 00
Thomas L. Patterson, assistant engineer	- - - - -	1,100 00
Thomas Gove, rodman	- - - - -	500 00
Jacob L. Schnebly, rodman	- - - - -	500 00
John Buchanan, jr., rodman	- - - - -	500 00
William H. Bryan, rodman	- - - - -	500 00
R. Lorman Ross, rodman	- - - - -	360 00
Four axemen	- - - - -	1,110 00
Morgan Snively, superintendent at tunnel, and axeman, \$1 50 per day	- - - - -	547 50
Samuel M. Semmes, commissioner	- - - - -	200 00
		12,717 50
John Y. Young, superintendent first division	- - - - -	\$700
William S. Elgin, superintendent second division	- - - - -	700
George W. Rodgers, superintendent third division	- - - - -	700
John G. Stone, superintendent fourth division	- - - - -	700
Benjamin F. Mackall, collector of tolls at Georgetown	- - - - -	600
Henry Jamison, collector of tolls at Point of Rocks	- - - - -	200
Eli Stake, collector of tolls at Williamsport	- - - - -	300
Arthur Blackwell, collector of tolls at Hancock	- - - - -	300
John B. Hilton, keeper of lock B, at Washington	- - - - -	50
James O'Riley, keeper of locks Nos. 1, 2, 3 and 4	- - - - -	600
Thomas B. Offutt, keeper of lock No. 5 and guard lock	- - - - -	250
James Dalzell, keeper of lock No. 6	- - - - -	150
Michael Hart, keeper of lock No. 7	- - - - -	150
Levi Barrett, keeper of lock No. 8	- - - - -	150
Osborn Crawford, keeper of locks Nos. 9 and 10	- - - - -	200

Wilton Burgess, keeper of lock No. 11	-	-	-	150
Frederick Metts, keeper of locks Nos. 12, 13 and 14	-	-	-	250
Hezekiah Metts, keeper of locks Nos. 15 and 16	-	-	-	276
Wm. H. Henderson, keeper of locks Nos. 17 and 18	-	-	-	276
Daniel Collins, keeper of locks Nos. 19 and 20	-	-	-	200
Robert C. Fields, keeper of lock No. 21	-	-	-	150
John Fields, keeper of lock No. 22	-	-	-	150
Wm. H. Hammontru, keeper of lock No. 23 and guard				200
Charles H. Shanks, keeper of lock No. 24	-	-	-	150
Asa Aud, keeper of lock No. 25 and outlet	-	-	-	250
James Fitch, keeper of lock No. 26	-	-	-	150
Thomas Walter, keeper of lock No. 27	-	-	-	150
Jamas Davis, keeper of lock No. 28	-	-	-	150
John Walter, keeper of lock No. 29	-	-	-	175
Dennis Harrison, keeper of lock No. 30	-	-	-	175
Wm. Kuhn, keeper of lock No. 31	-	-	-	100
A. W. Jones, keeper of lock No. 32	-	-	-	175
W. S. Elgin, keeper of lock No. 33 and collector of tolls				300
John Crowley, keeper of lock No. 34	-	-	-	175
Wm. McKay, keeper of locks Nos. 35, 36, and guard	-	-	-	300
John Kerchwell, keeper of lock No. 37	-	-	-	150
George Hughes, keeper of lock No. 38 and outlet	-	-	-	200
Joseph Gwyn, keeper of lock No. 39	-	-	-	150
Andrew McKoy, keeper of lock No. 40	-	-	-	150
Levi R. Shaw, keeper of guard lock No. 4	-	-	-	150
Henry Boyd, keeper of locks Nos. 41 and 42	-	-	-	200
Michael Crisman, keeper of lock No. 43	-	-	-	150
Joseph Hollman, keeper of lock No. 44—use of water power.				
Jacob Motter, keeper of guard lock No. 5	-	-	-	150
John Herbert, keeper of locks Nos. 45 and 46	-	-	-	200
Daniel Brewer, keeper of locks Nos. 47, 48, 49 and 50				300
Upton Rowland, keeper of locks Nos. 51 and 52	-	-	-	200
H. Conner, keeper of lock No. 53	-	-	-	150
Thomas Fleming, keeper of guard lock No. 6	-	-	-	175
Total, superintendents, collectors and lock-keepers				<u>11,977</u>

SUMMARY.

President, directors and clerks, \$300 to each director	\$5,500	00
Engineers, rodmen, and axemen and commissioner	12,717	50
Superintendents, and lock-keepers, and collectors	11,977	00
Total	-	-
	<u>30,194</u>	<u>50</u>

THO. TURNER,

Clerk Chesapeake and Ohio Canal Company.

CANAL OFFICE,

Frederick, January 7, 1842.

(B.)

CANAL OFFICE, *Frederick, December 20, 1841.*

GENTLEMEN: Herewith I enclose a detailed estimate, of date the 1st inst., of the *work done and that to be done* on the fifty miles of unfinished canal between dam No. 6 and Cumberland.

I have divided the work into three classes.

The first class embraces that portion of the work which *was done* on the 1st instant, and which has been finally estimated.

The second class comprises all the work *now under contract*, (including some which will probably be finished under the contracts lately suspended, if operations on the line should shortly be resumed.)

The third class embraces all the residue of the work, it being *all the work not now under contract*.

	Work done Dec. 1, 1841.	Work to be done Dec. 1, 1841.
The first class, as per accompanying statement, amounts to	\$2,073,714	
The second class, as per do., amounts to	772,150	\$328,023
The third class, as per do., amounts to	- - -	1,363,113
	<hr/>	<hr/>
Totals - - -	2,845,864	1,691,136
Added - - -	- - -	2,845,864
		<hr/>

And we have - - - - - 4,537,000

as the present estimated cost of construction of the *fifty miles* between dam No. 6 and Cumberland, supposing no change in the plans of building the remaining locks, culverts and lock-houses, from those originally contemplated.

It appears, in the accompanying estimate, that \$120,000 may be saved in the first cost of locks No. 59 to 71, inclusive, and the culverts and lock-houses remaining to be built, if the composite plan should be adopted for the locks, brick for the arches of the culverts, and log buildings for the lock-houses.

I am still of the opinion, more than once expressed by me, that the changes of plan just spoken of should be adopted, except, perhaps, as regards locks No. 68 to 71, inclusive, which, owing to their favorable situation in reference to quarries, may be built at much less cost upon the original plan than the remaining locks lower down the line. If there should be reasonable and responsible offers to construct these four locks upon the old plan, showing a saving by adopting the composite plan not exceeding in the aggregate \$20,000, I would advise that the original plan be adhered to, on account of the greater ultimate saving.

Assuming that the composite plan will be adopted for all the remaining locks, except the four just named, and that the other changes spoken of as respects the culverts and lock-houses will

also be made, I deduct \$100,000 from \$1,691,136, and there remains \$1,591,136 for the sum required to complete the canal on the 1st of December, 1841.

Of the whole fifty miles of unfinished canal between dam No. 6 and Cumberland, there remain, *in cost*, only eighteen and three-tenth miles of distance to be constructed, which is a fraction *less than one-tenth* of the entire length of the canal from Georgetown to Cumberland.

I will remark, in reference to the present estimate, that none will doubt its sufficiency who will make themselves acquainted with its details, and the details of the several preceding estimates of the same work, and with the actual cost of the work which has been done upon the fifty miles, compared with its estimated cost in former estimates.

The prices of the present estimate are ample, in case the work should be let at this time, and the cost of labor and provisions should not materially advance.

Respectfully submitted:

CHARLES B. FISK, *Chief Engineer.*

The PRESIDENT and DIRECTORS

of the Chesapeake and Ohio Canal Company.

Main body of the page containing a large table with multiple columns and rows of text, possibly a ledger or record book.

(C.)

Dr. *General statement of the debts and credits of the Chesapeake and Ohio Canal Company, April 1, 1841.* Cr

	£	s.	d.
Promissory notes issued by the company, viz:			
Post notes, 1834	\$555	00	
Interest thereon	22	20	
Notes re-issuable under \$5	-	-	
Notes re-issuable of \$5 and upwards	-	-	
Post notes, 1837	460	00	
Interest thereon	13	00	
Post notes, 1839	6,765	00	
Interest thereon	202	95	
Post notes, 1840	555,400	00	
In't thereon	25,000	00	
Acceptances in favor of			
	\$596,098	45	
Sterling bonds in the hands of Baring, Bros. & Co.	133,000	0	0
Estimated at 74 per cent. Upon which they have made advances	98,420	0	0
	85,167	2	3
	13,252	17	9
They have received proceeds of sales of Pennsylvania stocks	9,059	10	3
Also coupons to 31st December, 1840	6,613	15	0
Also coupons to 31st March 1841	1,662	10	0
	30,588	13	0
Deduct 3 months' interest on balance of cash advanced	868	12	2

	74,640 55 5,365 92	80,006 47 211,220 14 47,000 00 65,000 00 205,000 00 4,113 38	Bal. with Swan, Gittings, and Gunton, trustees Due from stockholders Deduct presumed bad	29,720 0 10 at \$4 4-9 per £	\$132,090 12 56,192 62 54,130 00 766 66 8,000 00 5,782 59 1,689 00 258,650 99 949,787 45 1,208,438 44
contractors	-				
Interest accrued thereon	-				
Balances due to contractors	-				
Due for land condemned, damages, &c., about	-			\$154,130 00	
Due for other outstanding claims	-			100,000 00	
Interest due to the State of Maryland on the two mil- lion loan	-		Cash in treasury - State of Maryland, advanc- ed to her commissioners appointed to sell sterling bonds in Europe -	-	
Due to Chesapeake Bank	-		Balances in transitu from collectors - Maryland 5 per cent. ster- ling bonds not yet issued to company, (£475,) es- timated at 80 -	-	
		1,208,438 44	Balance deficit -	-	

THOMAS TURNER, Clerk Ches. and Ohio Canal Co.

(D.)

DR. General Statement of the debts and credits of the Chesapeake and Ohio Canal Company, December 1, 1841. CR.

		£	s.	d.
Promissory notes issued by the Co., viz.	\$555 00	133,000	0	0
Interest thereon	22 20			
Notes re-issuable under \$5 -	-	95,760	0	0
Notes re-issuable of \$5 and upwards	-	95,167	2	3
Post notes, 1837	450 00	592	17	9
Interest thereon	31 80	9,059	10	3
Post notes, 1839	6,370 00	6,613	15	0
Interest thereon	457 75	1,662	10	0
Post notes, 1840	506,780 00	1,662	10	0
In'st. thereon	27,020 00	1,108	6	8
Bonds issued in payment of post notes	-	20,699	9	8
		3,309	17	11
	\$548,871 00			
	4,000 00			

Interest accrued	160 00	4,160 00	-17,389 11 9 at \$4 4-9 per £	
Acceptances and bonds issued to contractors and others	132,797 12		Bal. with Swan, Gittings, and Gunton, trustees	\$77,287 06
Interest thereon	8,175 03		Due from stockholders	56,192 62
Balances due to contractors	-	140,972 51	Deduct presumed bad	50,215 00
Due for lands condemned, damages, &c., about	-	299,815 44	Cash in treasury	527 74
Due for other outstanding claims	-	43,000 00	State of Maryland, advanced to her commissioners appointed to sell sterling bonds in Europe	8,000 00
Interest due to the State of Maryland on the two million loan	-	75,000 00	Balances in transitu from collectors	10,620 00
Due to Chesapeake Bank	-	285,000 00	Maryland 5 per cent. sterling bonds not yet issued to company, (£475,) estimated at 80	1,689 00
		4,113 38		
		1,400,931 97	Balance deficit	204,531 42
				1,196,400 55
				1,400,931 97

THOMAS TURNER, Clerk Ches. and Ohio Canal Co.

(F.)

CANAL OFFICE, *Frederick, January 8, 1842.*

Whereas, in the present exigencies of the company, it is right and proper that some source of accruing revenue should be established, to meet the unavoidable current expenses of the company, and to repair breaches, in case they occur, in the canal: And whereas the Legislature of Maryland, by the 3rd section of the act of the last session, entitled "An act for the completion of the Chesapeake and Ohio Canal to Cumberland," has indicated the tolls of the said canal as the legitimate and proper source for supplying the funds necessary to defray the said expenses: And whereas no other provision has been made to furnish money for such purpose, nor are there any means of establishing a permanent source other than from the tolls: And whereas, to render the said tolls available, it is necessary that they should be collected in current funds: And whereas it is considered that, *at present*, one-third of the tolls will be sufficient to meet the indispensable wants of the company, and it is not desired to require more of the tolls in current funds, to the exclusion of the scrip, than the case absolutely requires: Therefore,

Ordered, That, from and after the first day of August next, the collectors of tolls in the service of the company be directed to require at least one-third of the tolls in such funds as can be used for the purposes above mentioned.

True extract from the proceedings of the president and directors of the Chesapeake and Ohio Canal Company, on the 15th day of July, 1841.

Test:

THOS. TURNER,

Clerk of the Chesapeake and Ohio Canal Company.

(G.)

Frederick, Thursday, July 29, 1841.

GENTLEMEN: Having, on Monday last, received the information called for by the resolution of the board of the 15th instant, with the exception of the estimated value of the property and possessions of the coal and iron companies of Allegany, which, I was informed, had already been formally communicated to the Treasurer of the Western Shore of Maryland, I started for Annapolis on the following morning, and arrived there in the evening of the same day. On Wednesday I called on the Treasurer, presented to him the documents with which I had been furnished, examined those in his possession relating to the subject, and then explained at some length the object of my mission, enforcing my views with such arguments as had presented themselves to me from the consideration of the case in its various bearings. Prefacing our conference with the remark, that it depended entirely upon the nature and extent of the obligations he would require of the Allegany

companies for the performance of the conditions contained in the 10th and 12th sections of the act passed at the March session, "for the completion of the Chesapeake and Ohio Canal to Cumberland," whether the same was to go into operation. I endeavored to impress him with the serious consequences that must result, both to the State and the company, from a failure to give effect to that law. I told him that I was led to believe that the companies in question were willing to give their corporate bonds in any required amount, under the 10th section of the act, and their bonds with liens on all their property under the 12th section; and that I thought a liberal construction of the provisions of those sections would not require of him to demand more; that, by the 10th section, he was inereely directed to take "satisfactory bonds" of the several companies named therein, without any mention being made of security; that as the Legislature had expressly required security to be taken under the 12th section, but said nothing about it under the 10th, it was fair to conclude that the makers of the law did not intend it should be demanded under that section; that the word "satisfactory" had relation to the bonds, and might reasonably be understood to refer to the amount of the penalty, the form of the bonds, and the valid execution of the same; that under the 12th section only were those companies specially required to enter into "bonds with security;" that this provision would be literally complied with by their giving corporate bonds, with liens on their property; that I thought it would be unwise to insist too strictly upon the present availability of that security, under existing circumstances; that, if the companies were willing to pledge their all, no more ought to be asked or expected of them; that there was no probability of the State's ever being able to get better terms than those now offered; that although the possessions of the companies were at this time heavily encumbered, yet that a large portion of the aggregate debt for which the liens were given was for money recently borrowed, which is to be expended in improvements on the corporate property and its apputenances; and he might therefore reasonably infer that a part of the very money for which the liens were granted would be applied to the construction of railways, as contemplated by the 10th section of the act, *since without them the mines could not be productive, nor enable the borrowers to repay the loan*; that the lenders of that money manifested, in the strongest possible manner, their confidence in the worth and productiveness of the mines, by the very act of making the loan; and if *productive to the extent required for repayment, the revenue that would be derived from them in the way of tolls must far exceed the amount stipulated for by the 12th section of the act*; that, in considering this section, he must keep in view the fact, that every dollar received from the companies as tolls will diminish, *pro tanto*, the amount guarantied, and relieve, to that extent, the obligation and pledge. I referred him to the history of past legislation for evidence that the State had determined to complete the canal to Cumberland, and to the common

sentiment of all men, at this day, that she was compelled to do so, as the only means of relieving her people from direct taxation; and I suggested that, as it is to be done, "it were well it were done quickly;" that every year's postponement entails upon the State or company the loss of half a million of dollars; that the canal company is at this moment totally destitute of available funds; that seven hundred laborers are at work upon the unfinished line of the canal, many of whom have received no pay for at least six months; and that if this law failed to give relief, they must be discharged without pay, and without any ability on the part of the board of directors to promise them payment, with any certainty of being able to comply.

All these considerations, and many others, were urged upon the Treasurer, but without effect. He expressed and manifested much regret at the responsibility which the Legislature had, without his knowledge, imposed upon him; but stated that, as it had been done, he felt bound to construe his powers strictly. He considers it his duty to require such bonds and security, under both the 10th and 12th sections of the act, as will ensure a compliance with their provisions; or, in case of failure, payment of the penalties, to the full amount necessary for the fulfilment of the conditions. He is of opinion that the bonds of all the companies, and liens on all their property and possessions, are not sufficient for this purpose, under their present encumbrances, the amount of which, although repeatedly called for, he is now for the first time informed of; and he proposes the following as his *ultimatum*:

First. That, under the 10th section, he will be satisfied with the estimates of engineers in the employ of each of the companies named in the law, as to the probable cost of the construction of their respective railways, and the amount of the estimates shall determine the penalties of the bonds, respectively; that, under this section, he will require corporate bonds and liens upon their property.

Secondly. That, under the 12th section, he will require bonds in the penalty of \$1,200,000, together with liens upon the possessions of the companies, and additional security sufficient to secure the payment of the whole amount stipulated for. The additional security, he says, may be either personal or corporate. He mentioned banks by way of illustration.

The Treasurer stated that it was with regret he felt constrained to make these requirements, which he was sensible must prove fatal to the law; that, since the act of 1835, he had been in favor of the speedy completion of the canal to Cumberland, and he was aware that every postponement must be attended with loss and additional burdens. He said, however, that all these considerations were for the Legislature, and that he felt bound to pursue the limited and specific authority with which he had been invested, without being at all influenced by them. In conclusion, he said he derived some consolation in the stand he had taken, from a firm

belief that the bonds of the State could be disposed of to much greater advantage a year hence than at present.

Before taking my leave, I inquired whether he desired further information from any source, or on any point in relation to the subject? and he replied that he did not.

The above is a brief but substantial statement of what passed in my interview with the Treasurer in relation to the subject committed to me by your order of the 15th instant, before referred to, and as such is respectively submitted, &c. J. M. COALE.

(H.)

SATURDAY, *August 7, 1841.*

On motion,

“Ordered, That the president of the company be authorised to discharge from the service of the company such of the engineers and their attendants, superintendents, &c. as the chief engineer, from time to time, report to him as being no longer required for the service.”

FRIDAY, *September 17, 1841.*

On motion,

“Resolved, That the chief engineer be directed to dismiss such of the engineer corps as may not be necessarily employed in measuring up the abandoned contracts and taking estimates of the works still in progress.”

CANAL OFFICE, FREDERICK, *January 8, 1842.*

True extracts from the proceedings of the president and directors of the Chesapeake and Ohio Canal Company on the days respectively above. Test:

THO. TURNER,

Clerk of the Chesapeake and Ohio Canal Company.

Statement of the moneys which have passed into the Treasury of the Chesapeake and Ohio Canal Company, and of the payments made thereon, in the year ending 30th November, 1841.

		December 1, 1840, to November 30, 1841.	
December 1, 1840, to November 30, 1841.		The payments are properly chargeable to the following appropriations, viz:	
Capital stock, - - - - -	\$3,914 63	Acquisition of land, - - - - -	\$1,793 21
Construction of the canal, - - - - -	66 51	Construction of the canal - - - - -	269,144 87
Interest, - - - - -	18,057 73	Interest, - - - - -	11,622 14
Law expenses, - - - - -	45 22	Law expenses, - - - - -	554 44
Tolls, - - - - -	47,890 38	Tolls, - - - - -	374 99
Water rents, - - - - -	2,214 99	Engineer department, - - - - -	14,584 30
Baring, Brothers & Co. - - - - -	44,444 44	Pay of lock-keepers, - - - - -	2,184 47
George Peabody, - - - - -	110 43	Pay of officers, - - - - -	9,857 14
Exchange, - - - - -	5,542 09	Printing, - - - - -	22 87
Post notes issued in 1840, - - - - -	225,445 42	Stationery, - - - - -	58 82
Bonds, - - - - -	4,000 00	Postages, - - - - -	197 86
5 per cent. sterling bonds of the State of Maryland, sales made by Swan, Gittings and Gunton, trustees, &c., in the year 1840, &c., (see 13th Annual Report, page 29)	344,117 26	Contingent expenses, - - - - -	2,591 23
	\$695,849 10	Contingent expenses of the commissioner Ch. & Ohio Canal Co. - - - - -	36 75
		Potomac Company—unclaimed dividends, - - - - -	61 05
		Tolls account, - - - - -	234 92
		Notes reissuable, under \$5, redeemed, - - - - -	1,559 25
		Notes reissuable, \$5 and upwards, - - - - -	2,760 00
		Post notes—1837, - - - - -	125 00

December 1, 1840—Balance in treasury, -	\$46,965 82	Post notes—1839, -	293,630 00
		Post notes—1840, -	79,025 42
		December 1, 1841—Balance in treasury, -	690,418 73
	\$742,814 92		52,396 19
			742,814 92

E. E. ROBERT BARNARD, Treasurer.

TREASURER'S OFFICE, CHESAPEAKE AND OHIO CANAL COMPANY,

Frederick City, January 7, 1842.

(B.)

A bill entitled, "An act to complete the Chesapeake and Ohio Canal to Cumberland, and for other purposes."

Be it enacted by the General Assembly of Maryland, That whenever the Chesapeake and Ohio Canal Company, in a general meeting of the stockholders assembled, shall approve, assent and agree to the provisions of this act, and shall have communicated to the Governor of this State such approval, assent and agreement, under the corporate seal and signature of the president of said company, the rights of this State, under the mortgages and liens heretofore made and executed by the Chesapeake and Ohio Canal Company to this State, so far as regards the priorities to which this State is or may be entitled in law or equity upon the tolls and revenues of said company, shall be, and the same are hereby deferred and postponed: First, to the holders of all bonds that may hereafter be given by the said Chesapeake and Ohio Canal Company, in sums not less than one hundred dollars, for the payment of or providing the means to pay for the completion of the said Chesapeake and Ohio Canal to Cumberland, and the interest on the cost thereof, under a contract or contracts hereafter to be entered into: *Provided,* The said bonds shall be made payable in thirty years, and shall not exceed, in the aggregate, the sum of two millions of dollars, nor bear an interest higher than seven per cent. per annum; and the bonds that may be given for the purpose aforesaid, without any preference over each other on account of priority of date, shall be held and considered, and the same are hereby made, the first and preferred liens on the tolls and revenues of said canal between Georgetown and Cumberland, excepting as is provided for in the eleventh section of this act, and after such sums shall be, from time to time, deducted therefrom, as will be required, in the opinion of the president and directors, to keep the said canal in good condition and repair for transportation, and to provide the requisite supply of water, and to pay the officers' salaries and the expenses of the company.

And secondly, the priorities of this State, under the mortgages and liens heretofore executed, or that may be executed to it by the said Chesapeake and Ohio Canal Company, shall be, and the same are hereby, to the same extent as aforesaid, further deferred and postponed, to the holders of all bonds that may be issued by the said Chesapeake and Ohio Canal Company, for the payment of existing debts of the said company, and to redeem the scrip of the said company heretofore paid out for work done on said canal, or for other purposes: *Provided,* That the bonds so to be issued shall be made payable in twenty years, and shall not bear an interest exceeding the rate of six per cent. per annum. And the bonds of the said Chesapeake and Ohio Canal Company that may be issued and executed for the purposes last above named, without any preference over each other on account of priority of

date, shall constitute liens of the second class upon the nett tolls and profits of said canal between Georgetown and Cumberland, excepting as is provided in the eleventh section of this act.

SEC. 2. *And be it further enacted*, That the bonds issued under the first clause of the preceding section shall be signed by the clerk, countersigned by the president and sealed with the corporate seal of the said company, and shall be in the following form :

No. _____

Dollars.

OFFICE OF THE CHES. AND OHIO CANAL COMPANY,

[place and date.]

_____ years after date, the Chesapeake and Ohio Canal Company promises to pay to _____ or bearer, _____ dollars, in gold or silver, with interest at the rate of _____ per cent. per annum, payable semi-annually on the first day of January and the first day of July in each year, for value received; this bond being a lien of the first class on the nett revenues of said canal between Georgetown and Cumberland, according to the provisions of an act of the General Assembly of Maryland, passed at December session, eighteen hundred and forty-one, chapter _____.

[Signed]

[Countersigned]

Clerk.

President.

[Seal.]

SEC. 3. *And be it enacted*, That the bonds issued under the second clause of the first section of this act shall be executed in the same manner, and be of like form, as is provided in the preceding section, except that it shall appear that they are of the second class of liens, instead of the first class of liens, as is therein stated.

SEC. 4. *And be it enacted*, That the said Chesapeake and Ohio Canal Company, in a book or books for that purpose to be provided, shall keep in the office of said company an accurate record of all the bonds constituting the first class of liens that may be issued pursuant to the provisions of this act as aforesaid, briefly stating the date, amount and number of the bond; when the same is payable; to whom it was issued; the rate of interest allowed thereon; and the name of the clerk and president by whom the same was signed and countersigned. And in a separate book the said company shall keep a like record of all the bonds that may be issued, constituting the second class of liens; and the said books of record, as aforesaid, shall at all times be open to the inspection of such persons as may desire to examine the same.

SEC. 5. *And be it enacted*, That with a view of affording facilities to contractors on the canal, and to aid the company in its

transactions, the said Chesapeake and Ohio Canal Company are hereby authorised, if they deem it expedient, to issue their promissory notes, in sums not less than one dollar, and bearing an interest at the rate of six per cent. per annum; the same to be convertible on demand into bonds of the company of the first class of liens, when presented to a sufficient amount: *Provided*, That the said company shall not issue said promissory notes to an amount exceeding one hundred thousand dollars in any one quarter of a year, nor in the aggregate more than half a million of dollars.

SEC. 6. *And be it enacted*, That, for the purpose of securing the payment of the principal and interest on the bonds that may be issued by the said Chesapeake and Ohio Canal Company, for the future completion of the said canal to Cumberland, as is provided for in the first clause of the first section of this act, this State hereby pledges the distributive share of the proceeds of the sales of the public lands that may be hereafter paid to this State under and by virtue of the act entitled, "An act to appropriate the proceeds of the sales of the public lands, and to grant pre-emption rights," passed by the Congress of the United States, and approved on the fourth day of September, eighteen hundred and forty-one, or any law amendatory of or supplementary to the same, so far as the said distributive share of said proceeds may, from time to time, be necessary to pay said interest, or supply a deficiency in the sinking fund provided for the purpose of paying the principal of said debt by the ninth section of this act, after the same shall begin to accumulate. And the Treasurer of the Western Shore of this State is hereby directed to pay over the said proceeds, from time to time, as the same may be received by him, upon the requisition of the president and directors of said company, and upon being satisfied that the said proceeds are needed for the purpose or purposes aforesaid.

SEC. 7. *And be it enacted*, That the said Chesapeake and Ohio Canal Company shall, within a reasonable time after this law shall take effect, and before it shall issue any bonds as aforesaid, execute in due and legal form a deed of mortgage to this State, upon all the tolls, rights, effects, property and estate of said company, to pay, indemnify and save harmless this State for or on account of any loss that may be sustained or advances that may be made to or for the use and benefit of said Chesapeake and Ohio Canal Company, under and by virtue of this act, which said mortgage shall be recorded in the office of the said company, in the same book with the bonds of the second class of liens, and the original shall be delivered to the Treasurer of the Western Shore of Maryland, for safe keeping, and the same shall thereupon be good and valid, to all intents and purposes: *Provided*, That the rights and interest conveyed by said mortgage shall in no way impair or interfere with the priority of liens by the first section of this act created or provided for.

SEC. 8. *And be it enacted,* That the interest on the bonds constituting the liens of the first class, as aforesaid, shall be paid out of the nett revenue of the canal between Georgetown and Cumberland, as hereinbefore provided, from time to time, as the said interest becomes due, and in the order in which it becomes due; and when the annual nett revenues of the canal, as aforesaid, shall be more than may be required to pay the interest on said bonds, then the surplus shall be applied to the payment of the interest on the bonds constituting the liens of the second class, as the same may become due, and in the order in which it may become due.

SEC. 9. *And be it enacted,* That for the purpose of providing for the payment of the principal of the debt by the first section of this act authorised to be contracted for the completion of the said canal to Cumberland, the same constituting the liens of the first class as aforesaid, it shall be the duty of the president and directors of the Chesapeake and Ohio Canal Company, as soon as the nett revenues from the canal between Georgetown and Cumberland, as hereinbefore provided, will enable them to do so, after paying the interest that may from time to time accrue on the bonds, as is provided by the preceding section, to pay over to the Treasurer of the Western Shore of Maryland a portion of the said residue, not exceeding the sum of thirty thousand dollars annually, to be by him accumulated and invested by him as a sinking fund for the purpose aforesaid, until the said debt and interest has been fully paid or provided for as aforesaid. And after the sinking fund for the said debt, constituting the lien of the first class, shall in each year have been paid and provided for as aforesaid, the said president and directors shall in like manner pay over to said Treasurer a portion of the surplus revenue that may thereafter remain, not exceeding the sum of twenty-five thousand dollars, to accumulate and be invested as a sinking fund, to pay the principal of the debt constituting the lien of the second class.

SEC. 10. *And be it enacted,* That the president and directors of the Chesapeake and Ohio Canal Company may let the unfinished portion of said canal to Cumberland under one entire contract, or let out the same under several contracts, from time to time, as may be most advantageous to the company, having due regard to the early completion of the work as an object of primary importance.

SEC. 11. *And be it enacted,* That the president and directors of the said Chesapeake and Ohio Canal Company, whenever they may be advised to do so by the agents representing this State in said company, or a majority of them, be, and they are hereby authorised and required to enter into a contract or contracts for constructing a branch, by slack-water navigation or otherwise, "from the main canal at Cumberland to the coal banks at or near the mouth of Savage river;" and to pay the interest that may become due or in arrear on the bonds or obligations of the company that may be issued for that purpose, bearing an interest not

exceeding seven per cent. per annum, to be payable semi-annually, and the principal to be payable in thirty years after the dates thereof, and to provide a sinking fund of twenty thousand dollars annually, until a sufficient amount is accumulated to discharge the principal of said bonds when they become due, the nett tolls that may hereafter accrue and be received on said branch between the mouth of Savage and Cumberland, and the one-half part of the tolls that may be received by the said company for the use of the main canal for the transportation from Cumberland eastwardly, of articles loaded on said branch at any point west of Cresaptown, and introduced from the same into the main canal at Cumberland, so far as is necessary for the purposes aforesaid, be, and the same are hereby appropriated and pledged, any thing herein contained to the contrary notwithstanding; and the said company are hereby further authorised and required, by any proper form of security, to pledge or mortgage the tolls and profits by this section appropriated to the purposes aforesaid: *Provided*, that the cost of said branch from Cumberland to or near the mouth of Savage shall not exceed the sum of one million of dollars: *And provided also*, that nothing done under this section shall be construed to deprive said company of its right of choice in the selection of a route for the main canal from Cumberland westwardly, whenever it sees fit to exercise the same agreeably to the provisions of its charter; and to enable the said company to carry into full effect the provisions of this section, the priorities of this State upon the tolls of the said canal, to the extent herein mentioned shall be, and are hereby further deferred and postponed.

SEC. 12. *And be it enacted*, That nothing in this act contained, nor any provision thereof, nor any thing done under the same, shall be construed to take away or in any manner impair the right of the State of Maryland to foreclose any mortgage or mortgages, or enforce any lien or liens, heretofore executed to the said State, by the said Chesapeake and Ohio Canal Company whereon the said State, by a resolution of the General Assembly, shall order or direct the same to be done; nor shall it be necessary to make any person or persons, owning or interested in any of the bonds, liens, or mortgages, that may be issued or executed, as provided for in this act, parties to any proceedings that may be instituted for that purpose; and in case any mortgage or mortgages, as aforesaid, shall be foreclosed, the capital stock, estates, goods, chattels, rights and securities, tolls and revenues, of the said canal shall be held by this State, subject to all the liens and pledges by this act made, created, and provided for; and the State shall take for its own proper use no part of the tolls or revenues of said canal until the interest on the bonds mentioned in the first section of this act, together with the sinking fund for the payment of the principal thereof, shall be fully paid or provided for.

(C.)

List of officers in the service of the Chesapeake and Ohio Canal Company, on the 31st day of May, 1842, with the rate of compensation per year to each.

Michael C. Sprigg, President,	-	-	\$1,000
James M. Coale,	}	Directors, \$4 per day while actually engaged in ser- vice, not to exceed \$300 to each per year	
Frisby Tilghnan,			
John R. Dall,			
John O. Wharton,			
Daniel Burkhardt,			
John P. Ingle,			
Thomas Turner, clerk and superintendent of tolls			1,500
Robert Barnard, treasurer and accountant			1,200
			<hr/> \$5,500
Charles B. Fisk, chief engineer	-	-	2,000
Henry M. Dungan, assistant engineer	-	-	1,100
			<hr/> 3,100
John Y. Young, superintendant 1st division	-		700
William S. Elgin, superintendent 2nd division			700
George W. Rodgers, superintendent 3rd division			700
John G. Stone, superintendent 4th division			700
			<hr/> 2,800
Benjamin F. Mackall, collector of tolls, Georgetown			600
Henry Jamison, collector of tolls, Point of Rocks			200
William S. Elgin, collector of tolls, Harper's Ferry			300
Elie Stake, collector of tolls, Williamsport	-		300
Arthur Blackwell, collector of tolls, Hancock	-		300
			<hr/> 1,700
John B. Hilton, keeper of lock B, Washington	-		50
James O'Riley, keeper of locks Nos. 1, 2, 3 and 4, Georgetown	-	-	600
Thomas B. Offutt, keeper of lock No. 5. and guard-lock,	-	-	250
James Delzell, keeper of lock No. 6	-	-	150
Michael Hart, keeper of lock No. 7	-	-	150
Levi Barrett, keeper of lock No. 8	-	-	150
Osborn Crawford, keeper of locks Nos. 9 and 10			200
Wilton Burgess, keeper of lock No. 11	-	-	150
Frederick Metts, keeper of locks Nos. 12, 13 and 14			250
Hezekiah Metts, keeper of locks Nos. 15 and 16			276
William H. Henderson, keeper of locks Nos. 17 and 18			276
Daniel Collins, keeper of locks Nos. 19 and 20	-		200
Robert C. Fields, keeper of lock No. 31	-		150
John Fields, keeper of lock No. 22	-		150
William H. Hammontru, keeper of lock No. 23 and guard	-	-	200
Charles H Shanks, keeper of lock No. 24	-		150

Asa Aud, keeper of lock No. 25 and outlet	-	250
James Fitch, keeper of lock No. 26	-	150
Thomas Walter, keeper of lock No. 27	-	150
James Davis, keeper of lock No. 28	-	150
John Walter, keeper of lock No. 29	-	175
Dennis Harrison, keeper of lock No. 30	-	175
William Kuhn, keeper of lock No. 31	-	100
A. W. Jones, keeper of lock No. 32	-	175
John Crowley, keeper of lock No. 34	-	175
William McKay, keeper of locks Nos. 35, 36 and guard	300	
John Kerchivel, keeper of lock No 37	-	150
George Hughes, keeper of lock No. 38 and outlet	200	
John Gwynn, keeper of lock No. 39	-	150
Andrew McKoy, keeper of lock No. 40	-	150
Levi R. Shaw, keeper of guard-lock No. 4	-	150
Henry Boyd, keeper of locks Nos. 41 and 42	-	200
Michael Crisman, keeper of lock No. 43	-	150
Joseph Hollman, keeper of lock No. 44 (use of water power.)		
Jacob Motter, keeper of guard-lock No. 5	-	150
John Herbert, keeper of locks Nos. 45 and 46	-	200
Daniel Brewer, keeper of locks Nos. 47, 48, 49 and 50	300	
Upton Rowland, keeper of locks Nos. 51 and 52	200	
H. Conner, keeper of lock No. 53	-	150
Thomas Fleming, keeper of guard-lock No. 6	-	175
		<hr/> \$7,477
Total	-	<hr/> <hr/> \$20,577

- RECAPITULATION.

President, directors, clerk and treasurer	-	\$5,500
Engineer and assistant	-	3,100
Superintendents	-	2,800
Collectors of toll	-	1,700
Lock-keepers	-	7,477
Total	-	<hr/> <hr/> \$20,577

THO. TURNER,

Clerk Chesapeake and Ohio Canal Company.

CANAL OFFICE,

Frederick, May 31, 1842.

NOTE.—The aggregate pay of the directors for the year ending 31st May, 1842, was \$924.

(D.)

Statement exhibiting the pay of officers in the service of the Chesapeake and Ohio Canal Company, on the 1st days of June, 1841 and 1842, and the difference at those respective dates.

1st. On the 1st day of June, 1841 :			
To the President, directors and clerks, in office at Frederick	-	-	\$10,200 00
Engineers, rodmen, &c., and commissioner	-	-	12,717 50
Superintendents, collectors, and lock-keepers	-	-	12,477 00
			<hr/> \$35,394 50
2d. On the 1st day of June, 1842 :			
To the President, directors and clerks, in office at Frederick	-	-	5,500 00
Chief engineer and assistant	-	-	3,100 00
Superintendents, collectors, and lock-keepers	-	-	11,977 00
			<hr/> 20,577 00
Showing a reduction, on the 1st day of June, 1842, of <u>\$14,817 50</u>			

THO. TURNER,

Clerk Chesapeake and Ohio Canal Company.

CANAL OFFICE,

Frederick, June 1, 1842.

General statement of the debts and credits of the Chesapeake and Ohio Canal Company, May 31, 1842.

Dr.

Cr.

To promissory notes issued by the Company, remaining unredeemed, viz:					
Post notes 1834, at 4 per cent. interest	\$555 00				£ 95,760 0 0
Interest accrued thereon - - -	22 20				
P. notes 1837, at 6 pr. ct. int. On which interest may be demanded - - -	577 20	\$445 00		£76,388 17 0	
P. notes 1839, at 6 pr. ct. int. On which interest may be demanded - - -	565 15	120 15		1,590 59	
P. notes 1839, at 6 pr. ct. int. On which interest may be demanded - - -	6,871 25	5,975 00	896 25	77,924 29	
P. notes 1840, at 6 pr. ct. int. On which interest may be demanded - - -	539,162 65	487,930 00	41,232 65	2,770 16 8	
Notes reissuable, under \$5, not bear'g int.	5,864 50				75,153 6 1
Notes reissuable, \$5 and upwards, do	1,260 09				20,606 13 11
Bonds issued in payment of post notes - - -		5,000 00			at 4 4-9
On which int. has accrued		392 00			\$56,192 62
Bonds issued in payment of creditors - - -	5,392 00				3,371 52
					\$91,585 31
					59,564 14
					8,000 00

On which int has accrued	4,195 68				
Acceptances of the drafts of contractors -	- 137,182 34	74,684 18			
* On which int. has accrued	11,328 90	148,511 24			3,000 00
Balances due to contractors, (estimated)		215,000 00	228,587 42		148,795 00
Balances due for land		43,000 00			100,000 00
Balances due other outstanding claims		70,000 00			
State of Maryland for interest to this date on the loan of \$2,000,000		-	328,000 00		1,307 04
			345,000 00		10,000 00
					11,307 04
					1,588 45
					228,834 94
					1,232,053 23
					1,455,888 17

OFFICE CHESAPEAKE AND OHIO CANAL COMPANY,

Frederick City, June 1, 1842.

THOMAS TURNER, Clerk.

General abstract of the receipts and expenditures of the Chesapeake and Ohio Canal Company to May 31, 1842.

The receipts arise from the following sources, viz:		The disbursements are charged to the following, viz:	
Capital stock, - - - - -	-	Contingent expenses, - - - - -	\$56,972 05
State of Maryland Loan, - - - - -	-	Contingent expenses of Com. C. & O. C.	970 54
Profit and loss, - - - - -	-	Western section, - - - - -	6,686 57
Baltimore and Ohio Rail Road Co. - - - - -	-	Profit and loss, - - - - -	1,117,566 12
Acquisition of land, - - - - -	-	Acquisition of land, - - - - -	400,574 52
Construction of the canal, - - - - -	-	Construction of the canal, - - - - -	8,772,728 49
Engineer department, - - - - -	-	Engineer department, - - - - -	327,439 80
Interest, - - - - -	-	Interest, - - - - -	762,066 32
Law expenses, - - - - -	-	Law expenses, - - - - -	24,562 19
Potomac company, general account, - - - - -	-	Potomac company, general account, - - - - -	373 65
Potomac company, unclaimed dividends, - - - - -	-	Potomac company, unclaimed dividends, - - - - -	149 85
Potomac company, tolls, - - - - -	-	Potomac company, tolls, - - - - -	22,643 65
Tolls, - - - - -	-	Tolls, - - - - -	1,922 37
Water rents, - - - - -	-	Pay of lock keepers, - - - - -	38,136 83
Baring, Brothers & Co. - - - - -	-	Pay of officers, - - - - -	115,118 51
Exchange, - - - - -	-	Baring, Brothers & Co. - - - - -	84,458 92
Bonds issued in payment of post notes, - - - - -	-	Incidental damages, - - - - -	34 40
Total issue. Redeemed.		Postages, - - - - -	1,958 00
Notes re-issuable, - - - - -	92,135 50	Printing, - - - - -	10,425 17
under \$5 98,000 00	92,135 50	Stationery, - - - - -	4,054 34
\$5 and upwards, 80,000 00	78,740 00	Judg. obtained against C. E. for suppression of riots on the line of canal, - - - - -	2,337 22
Post notes, '37, 240,000 00	239,555 00		

Post notes, '39, 300,000 00	294,025 00			
Post notes, '40, 585,805 42	97,975 42			
	5,975 00	State of Md. advanced in '37 to the com'r's going to Europe to neg. 3 million loan,		8,000 00
	487,830 00			
		Balances to the credit of C. & O. C. C. with:		\$11,759,206 51
		Maryland 5 p. c. stg. bonds, \$593,222 22		
		Swan, Gittings & Gunton, "trs." 56,192 62		
		Thomas Fillebrown, jr. - 11 07		
		Far's & Mec's B'k of Fred'k Co. 19 18		
		Far's & Mec's B'k, Georgetown, 5,212 93		
		Bank of Potomac, - 48 31		
		Wash'ton Co. B'k, Williamsport, current, - \$87 50		
		Wash'ton Co. B'k, Wm's- port, scrip, - 52 50	140 00	
			654,846 34	
		Deduct overdrawn in Ches. B'k,	4,113 38	
				650,732 96
				\$12,409,939 47

E. E.

TREASURER'S OFFICE, CHESAPEAKE AND OHIO CANAL COMPANY,

ROBERT BARNARD, Treasurer.

Frederick City, June 1, 1842.

Abstract of the receipts and expenditures, by the Treasurer of the Chesapeake and Ohio Canal Company, in the year ending May 31st, 1842.

The receipts arise from the following sources	The disbursements are charged to the following, viz:	
Capital stock - - - - -	Contingent expenses - - - - -	\$410 75
Construction of the canal - - - - -	Profit and loss - - - - -	1,045,986 61
Interest - - - - -	Acquisition of land - - - - -	1,581 48
Law expenses - - - - -	Construction of the canal - - - - -	38,754 44
Tolls - - - - -	Engineer department - - - - -	5,805 04
Water rents - - - - -	Interest - - - - -	1,969 84
Baring, Brothers and Company - - - - -	Law expenses - - - - -	412 77
Exchange - - - - -	Potomac Company, unclaimed dividends* - - - - -	61 05
Bonds, (in exchange for post notes) - - - - -	Tolls - - - - -	325 00
	Baring, Brothers and Company - - - - -	84,458 92
Acquisition of land - - - - -	Pay of lock-keepers - - - - -	1,934 47
Balances, 1st June, 1841, to the credit of the Ches. and Ohio Canal Company, with—	Pay of officers - - - - -	8,209 90
Md. 5 per cent. ster. bonds \$1,629,292 84	Postages - - - - -	137 08
Md. 6 per cent. certificates 3,500 00	Printing - - - - -	128 00
Ohio 6 per cent. stock - 5,087 50	Stationery - - - - -	49 82
Pennsylvania 5 per cent. stock 41,593 00	Judgment obtained against chief engineer, for suppressing riots, &c. - - - - -	2,337 22
Swan, Gittings and Gunton, trustees - - - - -	Notes re-issuable, under \$5 - - - - -	142 75
	Notes re-issuable, \$5 and upwards - - - - -	20 00
	Post notes, 1837 - - - - -	15 00

George Peabody, London	-	110 56	Post notes, 1839	-	-	525 00
Thomas Fillebrown, jr.	-	11 07	Post notes, 1840	-	-	50,645 00
Bank of Washington	-	2 53	Bal. to the credit of Ches. & O. C. Co., with,			<u>1,243,910 14</u>
Bank of Potomac, Alexandria	-	48 31	Maryland 5 pr. ct. ster. bonds \$593,222 23			
Far. & Mech's Bank of Fred'k Co.	11 29		Swan, Gittings and Gunton,			
			trustees	-	56,192 62	
Deduct over drawn in Chesapeake Bank	-	1,735,849 72	Thomas Fillebrown, jr.	-	11 07	
		4,113 38	Far. & Mech. Bank of Fred'k. Co.	-	19 18	
			Farmers and Mechanics Bank,			
			Georgetown	-	5,212 93	
			Bank of Potomac, Alexandria		48 31	
			Washington Co. Bank, Williams-			
			port current, \$87 50, post notes			
			\$52 50	-	140 00	
			Deduct over drawn in Chesapeake Bank	-	-	
					654,846 34	
					4,113 38	
						<u>650,732 96</u>
						<u>1,894,643 10</u>

E. E.

TREASURER'S OFFICE, CHESAPEAKE AND OHIO CANAL COMPANY,
Frederick City, June 1st, 1842.

ROBERT BARNARD, *Treasurer.*

H.

Statement of the promissory notes issued by the Chesapeake and Ohio Canal Company, outstanding June 1, 1841, and of those which have been redeemed since that date, to May 31, 1842.

	Notes under \$5, payable on demand.	Notes of \$5 and upwards, payable on demand.	Notes of \$5 and upwards, payable at 6 months date, with interest, 1837,	Notes of \$5 and upwards, payable at 6 months date, with interest, 1839.	Notes of \$5 and upwards, payable at 9 months date, with interest, 1840.
1841.					
June 1	6,007 25	1,280	460	6,500	538,475
Balance outstanding - (See 13th annual rep., pages 46 and 47.)					
	6,007 25	1,280	460	6,500	538,475
Dollars -					
1842.					
June 1	5,864 50	1,260	445	5,975	487,830
To balance out					
	Notes under \$5, payable on demand.	Notes of \$5 and upwards, payable on demand.	Notes of \$5 and upwards, payable at 6 months date, with interest, 1837.	Notes of \$5 and upwards, payable at 6 months date, with interest, 1839,	Notes of \$5 and upwards, payable at 9 months date, with interest, 1840.

1841.									
June 30, redeemed	-	4 25	-	-	-	-	-	-	1,300
July 31,	-	-	-	-	-	-	-	65	9,835
Aug. 31,	-	-	-	-	-	-	-	5	3,770
Sept. 30,	-	21 75	-	-	-	-	-	20	1,570
Oct. 31,	-	76 50	-	-	-	10	-	25	10,910
Nov. 30,	-	50	-	-	-	-	-	15	4,310
Dec. 31,	-	21 25	20	-	-	5	-	190	7,885
1842.									
Jan. 31,	-	-	-	-	-	-	-	-	285
Feb. 28,	-	2 00	-	-	-	-	-	40	2,440
March 31,	-	-	-	-	-	-	-	-	-
April 30,	-	5 00	-	-	-	-	-	165	4,330
May 31,	-	11 50	-	-	-	-	-	-	4,010
Balance to June 1	-	142 75	20	15	525	50,645	-	-	-
	-	5,864 50	1,260	445	5,975	487,830	-	-	-
	Dollars -	6,007 25	1,280	460	6,500	538,475	-	-	-

E. E. ROBERT BARNARD, *Treasurer.*
 TREASURER'S OFFICE, CHESAPEAKE AND OHIO CANAL COMPANY, FREDERICK CITY, June 1, 1842.

No. 1.

Statement of acceptances outstanding, and of the interest accrued thereon, to 31st May, 1842.

These consist of such as are past maturity, and which fell due as under, viz :

October, 1838	\$13,256 00,	on which the following interest has accrued to this date, viz :	\$2,900 85
Feb., 1839	2,000 00	do do	393 33
Feb., 1840	11,137 40	do do	1,526 40
March, 1840	3,547 53	do do	470 26
April, 1840	900 00	do do	117 00
May, 1840	6,593 34	do do	808 92
July, 1840	1,000 00	do do	111 00
August, 1840	15,186 40	do do	1,642 46
Sept., 1840	1,000 00	do do	101 00
October, 1840	1,140 68	do do	116 85
Nov., 1840	400 00	do do	37 20
May, 1841	918 75	do do	56 34
July, 1841	1,712 00	do do	91 88
	<u>\$58,792 10</u>		<u>8,373 51</u>

And of such as will fall due as under, viz :

July, 1842	\$718 43		
August 1842	20,389 76		
Sept. 1842	24,286 08		
October, 1842	4,718 80		
Nov. 1842	3,000 00		
Dec. 1842	11,234 95		
January, 1843	1,508 63		
Feb. 1843	100 00		
March, 1843	356 43		
April, 1843	12,077 16		
	<u>78,390 24</u>		<u>2,955 39</u>

Total principal	- -	137,182 34	Interest	-	11,328 90
		<u>11,328 90</u>			

Aggregate	- - -	<u><u>148,511 25</u></u>
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E. E.

ROBERT BARNARD, *Treasurer.*

TREASURER'S OFFICE C. & O. C. Co.

Frederick City, May 31, 1842.

Statement exhibiting the proceeds of the sale of the funds drawn from George Peabody, of London, and distinguishing the premium received, which constitutes, in fact, a part of the proceeds of the Maryland 5 per cent. sterling bonds.

Date of disposition.	Parties by or to whom the drafts were disposed of.	Amount in sterling.	Equivalent in dol. at \$4 4-9 per £ sterling.	Amount of proceeds of sale.	Exchange secured.	Rate of exchange per cent.	Objects to which the proceeds were applied.
1838.		£. s. d.	\$	\$	\$		
May	Bank of America, N. Y.	40,000 0 0	177,777 77	197,951 49 2,709 00	17,464 72	9.824	General expenditure* & redemption of post notes.
	At home, to sundries	7,001 14 10	31,118 84	195,242 49	2,867 06	9.1352	General expenditure.
	D. Sprigg, cashier, Balt.	102,482 17 2	455,479 35	491,755 64	36,276 29	7.9644	General expenditure and redemption of bonds.
	T. Phenix, cashier, Balt.	26,836 14 0	119,274 15	129,269 98	9,995 83	8.3804	General expenditure, redemption of bonds, and interest to State of Maryland.
	Bank of America, N. Y.	83,603 13 10	371,571 94	406,687 35	35,115 41	9.4504	Do.
1839.							
June	P. Janney, Alexandria Bank of Washington	3,171 14 0 15,000 0 0	14,096 44 66,666 67	15,376 61 72,721 00	1,280 17 6,054 33	9.0081 9.0814	General expenditure. Do.
July	A. Brown & Sons, Balt. Bank U. States Penn.	21,304 17 0 41,666 13 4	94,688 22 185,185 18	102,309 48 200,000 00	7,621 26 14,814 82	8.0487 8.	To repay loan \$100,000. Do. \$200,000.
Augt.	Bank of Washington	14,000 0 0	62,222 22	66,733 33	4,511 11	7.25	To red'm post notes 1837

Statement No. 2--Continued.

	F. Thomas, President	£19,000	0	0	\$84,444	44	90,026	32	5,581	88	6.61	To purchase remittances to George Peabody.
	Bank of America, N. Y.	41,860	9	3	186,046	50	200,000	00	13,953	50	7.50	Redemption of bonds.
	Girard Bank, Phila.	6,308	8	2	28,037	38	30,000	00	1,962	62	7.	Do.
Sept.	N. A. Trust and Banking Company, N. Y.	15,000	0	0	66,666	67	71,656	67	5,000	00	7.50	Pay't of estimates 1 Sep.
Oct.	F. Thomas, President	7,200	0	0	32,000	00	34,240	00	2,240	00	7.	General expenditure.
	Alex. Brown & Sons, Baltimore	6,223	19	6	27,962	11	30,290	00	2,627	89	9.50	Re-payment of \$30,000 loaned to pay interest to State of Maryland.
1840.	Bank of Potomac, Alex.	12,375	0	0	55,000	00	59,950	00	4,950	00	9.	Re-payment of loan.
March	Chesapeake Bank, Balt.	9,000	0	0	39,999	97	44,921	76	4,921	79	12.30	General expenditure.
April	A. Brown & Sons, Balt.	497	15	9	2,212	39	2,500	00	287	61	13.	Commissions on loans & negotiations effected.
May	Chesapeake Bank, Balt.	10,000	0	0	44,444	43	49,965	44	5,521	01	12.3004	General expenditure.
	Bank of Potomac, Alex.	5,000	0	0	22,222	22	25,000	00	2,777	78	12.50	Do.
	A. Preston, Washington	260	0	0	1,125	55	1,300	00	144	45	12.50	Do.
June	Chesapeake Bank, Balt.	3,000	0	0	13,333	33	14,733	39	1,400	06	10.50	Do.
July	Do	2,000	0	0	8,888	88	9,750	56	861	68	9.6940	Do.
August	Do	10,000	0	0	44,444	44	47,777	77	3,333	33	7.50	Do.
October	Do	242	4	3	1,076	56	1,165	35	88	79	8.2475	Do.

P'd Sanderson & Co. for drafts on them, loaned by Christmas & Co. -	503,036	1	12,235,715	65	2,527,269	04	191,653	39	8.5712
	22,288	4	99,058	84	108,369	44	9,410	60	9.50
Deduct am't. remitted to Geo. Peabody, to provide for the Co's. drafts £18,121 7 8	525,324	5	2,334,774	40	2,535,838	48	201,063	99	8.997
Dr's to N. A. Tr. & Banking Com'y. returned for non-paym't. 15,000 0 0	33,121	7	147,206	13	159,888	68	12,682	55	
	492,202	18	2,187,568	36	2,375,949	80	188,381	44	9.024

*The total profit on the gold shipped, which constitutes this item, was \$20,173 72
 The charges were—Commissions - - - \$894 44
 Insurance - - - 1,113 56
 Freight, drayage, &c. - - - 701 00
 2,709 00

\$17,464 72

No. 3.

Brief abstract of the entries made in the books of the Chesapeake and Ohio Canal Company, exhibiting the results of the disposal of the bonds issued by the State of Maryland, in fulfilment of her subscription of \$4,375,000, to 1st Sept. 1841.

DRS.		CRS.				
		Capital Stock.	State of Maryland.	Maryland six per cent. certifi- cates.	Maryland 5 per cent. sterling bonds.	George Pea- body of Lon- don.
\$4,495,000 00	State of Maryland	\$4,375,000 00	-	-	-	-
3,000,000 00	Maryland 6 p. c. certificates	-	\$3,000,000 00	-	-	-
4,657,666 66	Maryland 5 p. c. stg. bonds	-	1,495,000 00	\$2,965,000 00	-	-
2,624,545 87	George Peabody of London	-	-	-	\$2,049,611 11	-
69,681 15	Bar. Bro. & Co. of London	-	-	-	-	-
103,500 00	Ohio 6 per cent. stocks	-	-	-	-	103,500 00
76,160 00	Pennsylvania 6 p. c. stocks	-	-	-	-	76,160 00
216,045 63	Interest	-	-	-	-	216,045 63
1,087,148 03	Profit and loss	-	-	3,500 00	1,036,070 61	41,161 42
361,075 88	Trustees to redeem scrip	-	-	-	344,117 26	-
\$16,690,823 22		\$4,375,000 00	\$4,495,000 00	\$2,968,500 00	\$3,429,798 98	\$436,867 05

No. 3.—Continued.

Drs.	CRS.						Total Credits.
	Baring, Bros. & Co., of London.	Ohio 6 per ct. stocks.	Pennsylvania 5 per cent. stocks.	Advances to other internal improv't co's.	Interest.	Profit & Loss.	
State of Maryland -	-	-	-	120,000 00	-	-	
Maryland 6 p. c. certificates	-	-	-	-	-	\$197,666 66	
Maryland 5 p. c. stg. bonds	-	-	-	-	\$70,278 71	-	
George Peabody of London	\$371,676 55	\$98,412 50	\$34,567 00	-	29,416 65	-	
Bar. Bro. & Co. of London	-	-	40,264 50	-	-	-	
Ohio 6 per cent. stocks -	-	-	-	-	-	-	
Pennsylvania 6 p. c. stocks	-	5,087 50	1,328 50	-	16,958 62	-	
Interest - - -	-	-	-	-	-	-	
Profit and loss - -	-	-	-	-	-	-	
Trustees to redeem scrip	-	-	-	-	-	-	
	\$371,676 55	\$103,500 00	\$76,160 00	\$120,000 00	\$116,653 98	\$197,666 66	16,690,823 22

NOTE.—The transactions in Ohio and Pennsylvania stocks, which appear to have resulted in a loss, were exchanges made by Mr. Peady, of Maryland five per cent. stocks for said stocks, whereby he did, in fact, realize two to three per cent. better price for the Maryland than by actual sales otherwise.

There remain in the Maryland 5 p. ct. sterling bonds £133,475

Viz :

In the hands of Barings & Co., upon which they have made the advance to their credit

as above - - - - - £133,000

Not yet issued to the company - - - - - 475

See page 27 of the 13th annual report 133,475 Sterling.

The sum to the credit of profit and loss, is the \$200,000 given in exchange of the six per cent. for five per cent. stocks, less the ratio upon \$35,000 of the six per cent. not taken up by the company. These were sold, by the parties to whom they were hypothecated, at a loss to the company of \$3,500.

The final result of the mode selected by the State of Maryland for payment of her subscription of \$3,000,000, and of the further aid of \$1,375,000, and of the manner in which the company disposed of the bonds, has been an aggregate loss as under, viz :

On the sale of the 5 per cents -	\$1,036,070 61	
Commissions paid in this country, (see page 27 of the 13th annual report) - - - - -	11,951 49	
		\$1,048,022 10
On the sale of the 6 per cents -		3,500 00
Commissions and brokerages to G. Peabody, for managing the com- pany's affairs in London - -		41,161 42
		1,092,683 52
On the Ohio and Penn'a stocks -		6,416 00
Aggregate loss - - -		1,099,099 52
Relieved only by the proceeds of the stock given as exchange of the 6 per cents for 5 per cents at par - - - - -	197,666 66	
And the nett exchange secured up- on the drafts on George Peabody, upon the faith of the stock trans- mitted to him - - - - -	188,381 44	
		386,048 10
Nett loss - - - - -		\$713,051 42

No. 4.

*Statement of bonds outstanding, and of the interest accrued thereon,
to 31st May, 1842.*

These consist of such as are past maturity, and which fell due as
under, viz :

Oct. 18, 1840	\$17,379 20,	on which the following interest has		
		accrued to this date, viz :	\$2,218 72	
Mar. 17, 1842	3,112 75	do	do	220 50
	<u> </u>		\$20,491 95	<u> </u>
				2,439 22

And of such as will fall due
as under, viz :

Dec. 1842, Breslin	\$3,721 63		
Dec. 1842, Hoblitzel	13,000 00		
Dec. 1842, Gatton	15,783 74		
April, 1843, Cullin	304 89		
April, 1843, Grove	813 74		
April, 1843, Gormley	8,062 65		
April, 1843, Maccubbin	8,309 90		
	<u> </u>	49,996 55	1,756 46

Total principal	-	-	-	70,488 50	Interest	4,195 68
				<u>4,195 68</u>		

Aggregate	-	-	-	<u><u>74,684 18</u></u>
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E. E.

ROBERT BARNARD, *Treasurer.*

TREASURER'S OFFICE C. & O. C. Co.

Frederick City, May 31, 1842.

CANAL OFFICE, *Frederick, June 6, 1842.*

GENTLEMEN: Since my report of the 20th of December, 1841, so little has been done towards the completion of the canal to Cumberland, that it is not necessary now to enter into much detail respecting the present state of the work.

That report says: "Herewith I enclose a detailed estimate, of date the 1st instant, of the *work done*, and that *to be done*, on the 50 miles of unfinished canal between dam No. 6 and Cumberland.

"I have divided the work into three classes :

"The first class embraces that portion of the work which *was done* on the 1st instant, and which has been finally estimated.

"The second class comprises all the work *now under contract*, including some which will probably be finished under the contracts lately suspended, if operations on the line should shortly be resumed.

"The third class embraces all the residue of the work, it being *all the work not now under contract*.

	Work done. Dec. 1, 1841.	Work to be done. Dec. 1, 1841.
The first class, as per accompanying statements, amount to - - - - -	\$2,073,714	
The second class, as per accompanying statements, amounts to - - - - -	772,150	\$328,023
The third class, as per accompanying statements, amount to - - - - -	- - - - -	\$1,363,113
Totals - - - - -	\$2,845,864	1,691,136
Added - - - - -	- - - - -	2,845,864
And we have - - - - -	- - - - -	4,537,000

as the present estimated cost of construction of the *fifty miles* between dam No. 6 and Cumberland, supposing no change in the plans of building the remaining locks, culverts and lock-houses, from those originally contemplated.

"It appears in the accompanying estimate, that \$120,000 may be saved in the first cost of locks No. 59 to 71, inclusive, and the culverts and lock-houses remaining to be built, if the composite plan should be adopted for the locks, brick for the arches of the culverts, and log buildings for the lock-houses.

"I am still of the opinion, more than once expressed by me, that the changes of plan just spoken of should be adopted, except, perhaps, as regards locks No. 68 to 71, inclusive, which, owing

to their favorable situation in reference to quarries, may be built at much less cost upon the original plan than the remaining locks lower down the line. If there should be reasonable and responsible offers to construct these four locks upon the old plan, showing a saving by adopting the composite plan, not exceeding in the aggregate \$20,000, I would advise that the original plan be adhered to, on account of the greater ultimate saving.

“Assuming that the composite plan will be adopted for all the remaining locks except the four just named, and that the other changes spoken of as respects the culverts and lock-houses will also be made, I deduct \$100,000 from 1,691,136, and there remains \$1,591,136 for the sum required to complete the canal on the 1st of December, 1841.

“Of the whole fifty miles of unfinished canal between dam No. 6 and Cumberland, there remain, *in cost*, only eighteen and three-tenths miles of distance to be constructed, which is a fraction *less than one-tenth* of the entire length of the canal from Georgetown to Cumberland.

“I will remark, in reference to the present estimate, that none will doubt its sufficiency who will make themselves acquainted with its details, and the details of the several preceding estimates of the same work, and with the actual cost of the work which has been done upon the fifty miles, compared with its estimated cost in former estimates.

“The prices of the present estimate are ample, in case the work should be let at this time, and the cost of labor and provisions should not materially advance.”

In January last, the services of nearly all of the engineer corps were dispensed with; and since then, subsequent to the adjournment of the Legislature, a still further reduction has been made, so that, on the first of last month, there remained only two persons in and connected with the engineer corps, viz: the chief engineer and one assistant engineer.

Immediately on the Legislature's adjourning without providing means for the completion of the canal to Cumberland, the prosecution of the work on the fifty remaining miles of unfinished canal, between dam No. 6 and Cumberland, was entirely suspended.—There is not now a laborer in employ along that whole distance.

Several final estimates, in favor of contractors who had finished their works, and one in favor of a contractor whose work was unfinished and abandoned, from the inability of the company to pay him, have been made out since the report of December last, and been received by them as satisfactory. There yet remain unadjusted many of the accounts of contractors whose works have been abandoned in an unfinished state, in consequence of the company's want of means; which are all, however, in the way of adjustment at this time, and will probably be brought to a close, so far as determining the balances due by the company, in the course of a few months.

The work *done*, and that remaining *to be done* upon the *fifty*

miles, on the first day of the present month, (June, 1842,) amount as follows :

Work done - - - - -	\$2,860,000
Work to be done - - - - -	1,577,000
	<hr/>
Total - - - - -	4,437,000
	<hr/> <hr/>

This assumes that the total cost of the *fifty miles* will be the same as estimated in the report of December last, and that the changes of plan therein recommended will be adopted. When all the accounts with the contractors shall have been adjusted, the work *done* and that *to be done* will probably be found to vary a little, though not materially, from the above amounts.

It may here be remarked, that the bids which were received by the board, last December, for the completion of the canal, (of which there was a large number,) were mostly lower than the engineer's estimate; and there would have been no difficulty, at that time, in letting the whole of the unfinished work, to contractors of character and respectability, at an aggregate of near ten per cent. less than the engineer's estimate. And it may be further remarked, in reference to that estimate, that it was prepared with much labor and care, and with especial reference to contracts being entered into, so far as practicable, at specific sums for the respective works; thereby getting rid of one of the causes of the insufficiency of estimates, viz: an excess in the *quantities* of work *done*, as compared with these *estimated* quantities.

It may be seen, in reference to a communication of mine to Clement Cox, Esq., chairman of a general committee of the stockholders, dated July 27, 1841, that \$2,775,000, was then assumed as the amount of work which was *done* on the *fifty miles*, on the 1st day of June, 1841; this sum deducted from the amount *done* on the 1st day of June, 1842, viz: \$2,860,000, leaves \$85,000 for the work done *during the year* ending May 31st, 1842.

When we view the little progress that has been made the past year in the *construction* of the canal, and its very slow advancement towards completion, it is truly painful to reflect that the item of *interest* (so far as the State of Maryland is concerned) enters so largely into the past cost of the canal, is still silently and steadily increasing in amount, at a rate per annum nearly equal to the whole State tax now levied on the citizens of Maryland; and that, too, when it is well known and admitted that, until completed to Cumberland, the canal can be of not the least assistance to the State in lessening the burdens under which she is now laboring.

In the present state of the company's affairs, it becomes important to inquire, what will annually be required to keep the finished line of canal, from Georgetown to dam No. 6, in navigable order? Before answering this inquiry, I ought first to remark, that for the last few years, owing to the embarrassments of the company, there has much work been omitted to be done on the repairs, not absolutely required for the present limited trade, but which,

undone, would materially embarrass an active trade, and ought no longer to be deferred than until the opening of the navigation to Cumberland. Assuming that this same course will be continued, and, until the completion of the canal to Cumberland, that no more will be done on the repairs than is necessary to keep up the present trade, and I may safely estimate, from recent examinations into the past cost of keeping up the canal, and should no unforeseen and unusual casualties occur, that \$40,000 per annum will keep the canal in repair, and pay all the charges against the company, under the organization as it has existed since the first day of the last month. This sum, (\$40,000,) for the 134½ miles of finished canal, averages per mile not quite \$300 per annum; which is less, and in comparison with many canals considerably less, than is expended on similar improvements elsewhere.

Throughout the past year, the usual depth of water has been maintained in the canal; and it is satisfactory to state that, notwithstanding the limited means for keeping the canal in repair, there has been very little and even less than the usual detention to the navigation, from breaches. During the winter there was scarcely a day when the boats could not have been running, so far as regards interruption from ice. The season, it is true, was an unusually mild one; but previous experience, as well as the present, furnishes evidence sufficient to satisfy us that we have not erred, hitherto, in assuming that the year of navigation on this canal, in estimating its capacity for annual tonnage, may be put at 300 days. The Erie canal, since it was first opened, has averaged a year of navigation of only 235 days' continuance.

Respectfully submitted:

CHARLES B. FISK, *Chief Engineer.*

To the PRESIDENT and DIRECTORS

of the Chesapeake and Ohio Canal Company.

THURSDAY, *September 15th*, 1842.

Pursuant to the order of adjournment on the 5th day of August last, Charles S. Hammond, Esquire, one of the stockholders of the Chesapeake and Ohio Canal Company, attended this day, and the majority of the stock not being represented, the meeting was adjourned until Thursday the 17th day of November next, at 12 o'clock, M.

CANAL OFFICE, FREDERICK,

THURSDAY, *November 17th*, 1842.

Pursuant to the adjournment on the 15th day of September last, a general meeting of the stockholders of the Chesapeake and Ohio Canal Company was held this day at the office of said company in Frederick, Maryland.

Present: The State of Maryland, by
 Gen. Tench Tilghman,
 A. Bowie Davis, and
 John Van Lear, Esquires.

On motion, General Tilghman took the chair.

Without transacting any business, on motion, the meeting was adjourned to meet again on Saturday the 3rd day of December next, at 11 o'clock, A. M.

OFFICE CHESAPEAKE AND OHIO CANAL COMPANY.

Frederick, Saturday, December 3rd, 1842.

Pursuant to adjournment, on the 17th ^{ult.}, a general meeting of the stockholders in the Chesapeake and Ohio Canal Company was held this day at the office of said company, in the city of Frederick, Maryland.

On motion of General Tilghman, Governor S. Sprigg took the the Chair.

Present: The State of Maryland, by
 Gov. S. Sprigg,
 Gen. T. Tilghman,
 John Van Lear, and
 A. Bowie Davis, Esquires.

The United States, by
 Lewis Johnson, Esq.

The Corporation of Washington, by
 Lewis Johnson, Esq., and
 Dr. W. B. Magruder.

The Corporation of Georgetown, by
 E. Lyons, Esq.

Also, several private stockholders.

General Tilghman, in conformity with the resolution adopted by the stockholders on the 4th day of August last, in the following words: "*Resolved*, That General T. Tilghman be appointed a committee to investigate the subject of raising funds to complete the canal to Cumberland, and to report at the next general meeting of the stockholders," submitted the following

REPORT:

*To the Stockholders of the Chesapeake
and Ohio Canal Company:*

By an order of the stockholders of the Chesapeake and Ohio Canal Company, passed at a general meeting held in the city of Frederick, on the 4th day of August, 1842, the undersigned was directed "to investigate the subject of raising funds to complete the Chesapeake and Ohio Canal to Cumberland, and to report at the next general meeting of the stockholders."

The shortness of the time allowed for this investigation has necessarily prevented as full an inquiry into the merits of the question as the magnitude of the subject demanded.

Aware, however, of the great importance of procuring the desired information at the earliest practicable moment, in order that it might be submitted to the company in time for their action before the commencement of the approaching session of the Legislature of Maryland, the undersigned has made every effort to carry out what he believed to be the wishes of the stockholders in this respect, and flatters himself that his exertions have not been entirely without success.

Before proceeding, however, to report the information which he has obtained, the undersigned desires to make a brief reference to the *motives* which induced him to propose the investigation, in order that they may be properly understood by those stockholders who were not present on that occasion, as well as by all others whose interests may be affected by any action of the stockholders, of which this proposition may be regarded as the germe.

The immense benefits which must result from the development of the finest mineral region in the world, even to those enterprising individuals and companies who have invested their capital in preparations for the production of coal and iron, and to the still larger portion of the community who are to become the purchasers and consumers of these useful articles, would seem alone to constitute a sufficient incentive to the completion of the canal to Cumberland.

To the stockholders, its accomplishment is of paramount importance, as the only step by which their interest can ever be rendered available; and especially so to the State of Maryland, who not only holds by far the largest portion of the stock, but has to provide means for the regular payment of the interest on the loans with which this stock was purchased.

The full weight of this latter consideration can only be appre-

ciated when it is recollected that the means of paying this interest must be drawn from the people by direct taxation, and that, too, at a season of unusual distress and embarrassment.

But, heavy as the burden must be acknowledged to be, it is as dust in the balance when compared with another calamity which threatens the citizens of this devoted Commonwealth, and oppresses, as with a mountain's weight, the heart of every patriot within her borders.

The spirit of repudiation has raised its voice, even within her legislative hall; and demagogues are every where to be found, who, whilst professing the most sacred regard for their private obligations, are yet ready to appeal to the feelings of a suffering people, and to attempt to deceive them by the miserable sophistry, that repudiation in a State is less culpable than an individual.

Let it not be supposed, however, that Maryland is in immediate danger of being overwhelmed by such a disaster. She is not yet on the black list of repudiating States; and both the journals of her Legislature and the result of the recent elections, afford conclusive evidence of the fact, that thus far this doctrine has found little favor either with the Legislature or the people of the State.

But the most violent diseases are often, also, the most contagious. The first symptom of such a disease in the body politic should be the signal to every good citizen to resist its extension; and the desire to lend his aid in preventing so dire a calamity was the real motive which induced the undersigned to propose that the investigation should be made at this time.

As long as the pecuniary embarrassments of the State continue, so long will she be subject to the danger which now threatens her; and there is no mode by which she can now be relieved from her financial difficulties, unless it be by the Chesapeake and Ohio canal to Cumberland.

It is unnecessary here to refer to the recent legislation of the State of Maryland on this subject, further than to observe that she evinces a strong indisposition to embark in any measure which would subject the people to the risk of further taxation. The wisdom of this course the undersigned most heartily approves.

In prosecuting the investigation, therefore, which he was ordered to make, he has confined himself entirely to the consideration of the question, "whether the amount required to complete the canal to Cumberland can be raised by the company alone, without the aid of the State."

To enable the company to effect this object in the most economical way, viz: by a loan obtained on the faith of the company, it may be assumed as an indispensable condition, that the State should first suspend its priority of lien upon the tolls and revenues of the canal, and thus place it in the power of the company to offer to capitalists the only security on which it is probable the loan could be procured. *lc*

The willingness of the Legislature to acquiesce in this measure may be inferred from the fact, that an act containing a provision

for the suspension of the State's right of priority upon the tolls of the canal actually passed one House at the last session of the Legislature, and from the further fact, that this section was not objected to by the other House, in which the bill was finally lost.

Regarding this difficulty as settled, it remains to be ascertained whether a loan can be effected by the company, at this time, by giving an undoubted lien on the proceeds of the whole canal, to meet interest, and the eventual payment of principal, on the amount requisite to complete the canal to Cumberland.

To this question a definite reply cannot now be given. Before doing so, it would be necessary to extend the investigation into the European market; and to afford a reasonable prospect of success in such a negotiation, it would probably be advisable to have it conducted, in person, by an agent sent out for that purpose. The undersigned has taken measures, however, to ascertain the opinions of several of the most eminent capitalists and distinguished financiers in this country, as to the probable result of such an attempt; and they all concur in the belief that the money might be obtained, and without much difficulty, from the present holders of the State bonds in Europe.

If sufficient security could be offered them, they would have the strongest inducement to make the loan, as the surest means of preventing the heavy losses to which they may be subjected by the still greater depreciation of the bonds which they now hold.

There is another mode of raising the required amount, which, although perhaps less economical, is certainly more feasible than the one above mentioned. With regard to this, the undersigned is happy to have it in his power to present to your consideration information of a more definite character.

The mode referred to is simply this: To issue the bonds of the company to the amount of \$2,000,000, to be given to any responsible party who shall contract to complete the canal to Cumberland for that sum; the payment of the said bonds being secured by a mortgage on the tolls and revenues of the work, in the manner hereinbefore mentioned.

The completion of the canal is to be made an indispensable condition, and to constitute the very foundation of the proposed plan; and it is hoped that this feature will go far to recommend it to the favorable consideration of the stockholders, provided that parties can be found who are willing to undertake it, and who are certainly able to fulfil their part of the contract.

It does not propose to limit the issue of bonds to the specific amount for which it is estimated that the canal can be completed to Cumberland, for the estimates have always heretofore fallen short of the actual cost of the work, and a large allowance must be made for discount in any sale which might be made of the bonds; but it proposes to contract for the completion of the whole work for a named sum, (viz: \$2,000,000,) whether that sum be found to exceed the actual cost of the construction or not; and thus to

secure the attainment of the object which all former efforts have proved inefficient to effect.

The estimated cost of the work to be done is about \$1,600,000; and it is undoubtedly true that the capitalists who might give this amount for the \$2,000,000 worth of bonds would make (if the work should prove as profitable as it is supposed it will,) about \$400,000 by the operation. But when it is remembered that the State of Maryland alone is losing more than this amount every year in interest on the stock which she already holds in the canal, can there be a doubt as to the policy of adopting this course, at least if, upon a full investigation, it should prove to be the only mode by which the funds can be raised at this time?

Believing that a proposition of this nature would receive the favorable consideration of the stockholders, and at the same time prove more acceptable than any other, both to the Legislature and the people of the State of Maryland, the undersigned has devoted particular attention to this branch of the inquiry. On this point he is prepared to speak positively. He has not only received the most confident assurances that the required amount can be raised on the bonds of the company, but he is actually authorised, by parties who are generally believed to be responsible for the performance of whatever they may undertake in this respect, to say, that they are ready to contract to complete the canal to Cumberland for \$2,000,000, to be paid in the bonds of the company, at their par value, provided the Legislature will place it in the power of the company to give the necessary security for the payment of these bonds by constituting them a prior lien on the nett revenues of the canal between Georgetown and Cumberland. With the announcement of this fact it would perhaps be proper to conclude this report. The undersigned desires, however, to express the hope that he has not exceeded his authority in procuring the most efficient aid in conducting this investigation which the circumstances of the case permitted him to obtain.

For this purpose, he solicited the co-operation of Major General William Gibbs McNeill, a gentleman of the highest reputation in his profession, and who stands unrivalled for his success in the prosecution of similar enterprises, where the skill and talents of the diplomatist and financier were required in as great a degree as the scientific attainments and practical ability of the engineer.

To the instrumentality of this gentleman, the undersigned acknowledges himself to be greatly indebted for the information which he has now the pleasure to communicate; and, for the further satisfaction of the stockholders, he has obtained from him a written communication, in which his views are given in a more extended form on this interesting subject, and which he has the honor to present to their consideration herewith, together with the copy of a law referred to in the said communication.

In conclusion, the undersigned begs leave to call the attention of the stockholders in general, but more particularly that of the

agents of the State of Maryland, to the moral effect which may be anticipated from the successful adoption of the measure which is now proposed. If they can but hold out to the people of the State some definite prospect of the completion of this great work, distrust and despondency will be banished, with all their blighting influences, and hope and confidence will be once more re-established amongst us. The taxes which are now grudgingly paid by those who cannot reasonably hope to receive any benefit in return for them, will then be freely loaned to sustain the State in her temporary difficulties. The credit of the State, which is now languishing, will then be rapidly resuscitated; and it may not be going too far to hazard the prediction, "that when the canal shall have been completed to Cumberland, the State will once more be enabled to obtain a loan on favorable terms, for the purpose of paying off the debt of \$2,000,000 which may have been contracted by the company in completing the work."

In this event, the tolls would at once be rendered available for the payment of the interest on the State debt, and the people would be speedily relieved from the oppressive burdens under which they are now so meritoriously struggling.

All which is respectfully submitted,

TENCH TILGHMAN.

DECEMBER 3, 1842.

The report having been read, on motion,

Ordered, That the same be laid on the table, and that 250 copies thereof be printed, in pamphlet form, under the direction and superintendence of General Tilghman.

The chairman presented a communication from Michael C. Sprigg, Esquire, president of this company, as follows :

FREDERICK, *December 3rd, 1842.*

To the Stockholders of the Chesapeake and Ohio Canal Company :

I have lately understood that assurances have been given by a company out of this State, or by an individual out of the State, backed by such company, that if he can be elected to the presidency of the Chesapeake and Ohio Canal company, the money will be forthwith advanced for the completion of said canal to the coal region of Allegany. There is some reason for the belief, that with a sufficient guaranty for the repayment of the principal, and the allowance of an interest a little beyond the usual rate, the money can be obtained under the present administration of the company. But I will give no assurance that may prove fallacious. Yet desiring mainly to promote their interests, which my appointment was designed to subserve, I can most cheerfully, when that object is to be attained, relinquish an office held during a period of unexampled perplexity, and from which I have derived little else than pain and mortification, that the total absence of available means, the enormous indebtedness, complicated embarrassments and prostrated credit of the company, when taken in charge by the existing board, combined with the pressure of the times and the adverse circumstances, have so far denied us the power to prosecute the work, or to render the service so fondly hoped.— And I must here be permitted to remark, maugre the charge of boasting, that situated as we have been, no man, or set of men, without resorting to dishonorable expedients, could have administered it more advantageously. Determined, however, to furnish no one with a pretext for opposition to it, but wishing only its prosperity, if it be true, that the assurances referred to have been given, and are to be relied on, the stockholders will receive this as my resignation of the office of president of the Chesapeake and Ohio Canal company; and if any good results from it, to the general interests, but more especially to the State of Maryland, for years past its only patron, groaning as she is under the heavy taxation caused by her efforts to complete it; or if Allegany county alone, suffering as she also is from the same cause, as well as from the pecuniary embarrassments of the company, and the languishing condition of the work, be thereby benefitted, so far from regretting my present course, or looking upon it as any sacrifice, I shall glory in it. I have never sought office—I have never accepted any, save in the Chesapeake and Ohio Canal company—nor then, with views unconnected with the interests of the stockholders. And I rejoice that mine is not the spirit to fret about loss of one, nor to cling to it, to the prejudice (even by possibility) of the public good, until turned out, then seek to excite public sympathy by the pitiful cry of persecution. Again, then I say, if friends are to be thereby enlisted, or enemies propitiated, receive this as my resignation.

Signed,

Your obedient serv't,

M. C. SPRIGG.

The communion having been read, on motion, it was

Ordered, That the resignation of M. C. Sprigg, Esquire, of the office of President of the Chesapeake and Ohio Canal company, be and the same is hereby accepted.

Ordered, That this meeting do now proceed to the election of president to supply the vacancy, and that the Chair appoint a committee of three to receive and count the ballots, and that the polls be kept open fifteen minutes.

The Chair appointed Messrs. Alexander, Magruder and Ingle, the committee.

General Tilghman nominated for the office of president of the Chesapeake and Ohio Canal Company—General William Gibbs McNeill.

Whilst the committee were receiving the ballots, Gen. Tilghman offered the following resolution :

Resolved, by the stockholders in general meeting, on Saturday the 3rd December, 1842, that in consideration of the great reduction made in the salary of the late president of this company, the sum of one thousand dollars be paid to the late president, M. C. Sprigg, as a remuneration for travelling and incidental expenses during the time for which the salary was reduced.

Mr. Davis moved to lay the resolution upon the table, which motion was rejected by the following vote :

AYES—The Corporation of Washington	-	2,008	
J. H. Alexander	-	2	
		<hr/>	
		2,010	votes.

NAYS—The State of Maryland	-	10,279	
The Corporation of Georgetown	-	508	
Lewis Johnson, adm'r. of William Otis		18	
		<hr/>	
		10,805	votes.

The question was then taken upon the adoption of the resolution, and the same was adopted by the following vote :

AYES—The State of Maryland	-	10,279	
The Corporation of Georgetown	-	508	
Evan Lyons	-	5	
		<hr/>	
		10,792	votes.

NAYS—The Corporation of Washington	-	2,008	
Lewis Johnson, adm'r. of William Otis	-	18	
J. H. Alexander	-	2	
		<hr/>	
		2,028	votes.

On motion of Mr. Davis, the vote by which the resolution was adopted, was re-considered.

Mr. Davis then moved to amend the resolution by striking out the words "one thousand," and inserting "five hundred," which amendment was agreed to.

The question recurred upon the resolution as amended, and the same was adopted by the following vote:

AYES—The State of Maryland	-	-	10,279	
The Corporation of Georgetown	-		508	
			<u>10,787</u>	votes.
NAYS—The Corporation of Washington	-		2,008	
Lewis Johnson, adm'r. of William Otis			18	
J. H. Alexander	-	-	2	
			<u>2,028</u>	votes.

It was therefore resolved, by the stockholders in general meeting, on Saturday the 3rd of December, 1842—that in consideration of the great reduction made in the salary of the late president of this company—the sum of five hundred dollars be paid to the late president, M. C. Sprigg, as a remuneration for travelling and incidental expenses, during the time the said salary was reduced.

General Tilghman then offered the following resolutions:

Resolved, That the salary of the President of the Chesapeake and Ohio Canal Company be increased to six thousand dollars, with the express understanding, that no part of the said salary is to be paid until the amount of funds necessary to complete said canal to Cumberland shall have been procured.

Resolved, That in consideration of the said increase of salary, the president of the company be required to devote his attention exclusively to the business of the Canal Company.

Which resolutions were adopted by the following vote:

AYES—The State of Maryland,	-	-	10,274	
“ Corporation of Georgetown,	-	-	508	
			<u>10,787</u>	votes.
NAYS—The corporation of Washington,	-	-	2,008	votes.

The committee appointed to receive and count the votes for President of the Chesapeake and Ohio Canal Company, to serve until the first Monday in June next, and until a successor shall be elected, made the following report:

That the votes received were as follows :

To William Gibbs McNeill—	
The State of Maryland, - - -	10,279
“ Corporation of Washington, - -	2,008
“ “ “ Georgetown, - -	508

12,795 votes.

And that William Gibbs McNeill received 12,795 votes, being all that were given. He is therefore, unanimously elected President of the Chesapeake and Ohio Canal Company for the time above stated.

(Signed,)

J. H. ALEXANDER,
WM. B. MAGRUDER and
JOHN P. INGLE,

Committee of Election.

General William Gibbs McNeill was then declared unanimously elected President of the Chesapeake and Ohio Canal Company, until the first Monday in June next, and until a successor shall be appointed.

On motion of Mr. Davis, it was

Resolved, That General Tilghman be requested to write to Gen. William Gibbs McNeill, and inform him of his election as president of this company.

On motion of Mr. Davis, it was also

Resolved, That a special meeting of the stockholders in this company be held at the city of Annapolis, on Monday the 16th day of January next, at 12 o'clock M. to which day and place this meeting, when it adjourns to-day, shall stand adjourned.

On motion the meeting was then adjourned.

I certify the foregoing to be a true copy of the proceedings of the stockholders of the Chesapeake and Ohio Canal Company, embracing those of each and every meeting during the year eighteen hundred and forty-two.

THOS. TURNER,

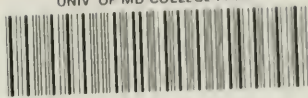
Clerk of the Chesapeake and Ohio Canal Company.

OFFICE CHESAPEAKE AND OHIO CANAL CO.

Frederick, January 14th, 1843.



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N. MANCHESTER,
INDIANA

