

been furnished to be passed in the most masterly manner, the contract was
announced by the President and Directors, as appears in the account of the
of the 5th of June 1848, that "unless they succeeded in concluding, or making
essential progress toward the consummation of an adequate negotiation in a
given day" they "would take into serious consideration the expediency of taking
some decisive measures, in regard to the termination of the contract." The
effect of this announcement led to "revived activity" on the part of the contracting
other arrangements were now entered into, the time originally limited for
the completion of the work was extended to the first day of October 1849, and
until recently, it was positively asserted that the Canal would be open by that
day. The first day of October 1849 has come and gone but the Canal is not
yet completed. The hearts of the tax paying people of the State are described
with "hope deferred", and while every day's delay detracts largely from the
prosperity, it also serves to perpetuate the burden of debt which the State has
to bear, and by accumulating the already fearful amount of the Canal
liabilities, render more remote the probability of early relief from that
quarter. Since the passage of the act of 1844, last added to the list of the
State have been further postponed by the time and as I am informed, of the estimate
to the amount of two hundred thousand dollars, awarded with the guarantee
of the State of Virginia, upon the performance of certain conditions, proceeds to
and upon a pledge of the resources of the Canal for the redeeming the
principal, and the payment of the interest of the loan, the proceeds to be
applied to the repair and improvement of the finished portion of the work between
Ham N.C. and Georgetown. Learning from current rumor and newspaper reports,
the only means of information possessed by the Executive, that such arrangements
were in contemplation, I immediately addressed a letter of inquiry to the President
of the Company. Ascertaining from his reply, that negotiations of the character
referred to, were really in progress and doubting both the legality, and, under
existing circumstances, the policy of the measure, I applied to the Attorney
General for his advice, upon the question of law. That officer was of opinion
that, although the Company could not legally comply with some of the conditions
specified in the Virginia law, yet that, under the Charter and its Supplement, the
power resided in the Corporation to anticipate its resources by a loan, for the
purpose of repairing the canal. Having no authority further to act, though still
doubting the necessity of the measure, I contented myself with furnishing a
copy of the opinion to the President of the Company. The bonds, as before
stated, have been issued, but whether either or all of the conditions named in the
Virginia act have been waived I am not able to apprise you. I have thus
under a solemn conviction of duty, omitting several matters of minor importance,
presented to you a brief and truthful history of the proceedings of the Chesapeake
and Ohio Canal Company, in connection with the interests of the State, from the
date of its incorporation to the present day; and if the narrative is of no other
value it at least demonstrates that wisdom and good faith have not at all
times, presided over the Councils of the Company.

I am, Sir, your obedient servant,
Charles C. Calhoun, at this time, Charge of the affairs of
(the)