

State Department

Washington 23rd May 1849

Dear Sir

I have examined with care and attention the act of December Session 1844 Chapter 281 with a view to satisfy my mind whether under the provisions of that law the Chesapeake and Ohio Canal Company has authority to borrow money upon the bonds of the Company with preferred liens upon the revenues and tolls of the work, for the purpose of repairing and improving the finished portions of the Canal below dam number six.

From all the reflection I have been enabled to bestow upon the subject, I am of opinion that the act in question does not confer the power, and that it was not in the contemplation of the Legislature at the time of the passage of that law that any such authority would be claimed or that there was likely to exist any necessity for its exercise.

As it is, however, a matter of very great interest both to the State and the Canal Company I propose to submit the question to the Attorney General for his opinion and advice. To this end, I have to request that you will at your earliest convenience communicate if you have the necessary information to enable you to do so, the terms, nature and extent of the security for the payment of the principal and interest of the bonds proposed to be issued which will be required by the Board of Public Works of Virginia in order to justify their assent to the guaranty of that State under the act of the 15th of March 1849. I will also thank you to inform me to what extent the interests of the Canal Company will be affected, either beneficially or otherwise, by a compliance on the part of the Company with the various provisions of the original law imposed as further conditions on which the guaranty of that State is to be given. In making this request for the purpose above indicated, I assure you I am influenced by no other consideration than a just regard to the rights and interests of the State and with no desire unnecessarily to embarrass or delay the Canal Company in its efforts to prosecute the work to a successful completion.

I am with great respect
Your obt^d servant
Philip H. Thomas

Genl J. M. Coale
Pres^t of the Ches^o Ohio
Canal Company