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## MESSAGE OF THE GOVERNOR.

*Gentlemen of the Senate,*
*and of the House of Delegates:*

That the legislature may have, at an early stage of its session, a general view of the condition of the public affairs of Maryland, custom has very properly imposed upon the chief magistrate, the duty of making an annual communication. At this time, its candid and truthful discharge, (owing to the crippled and disordered condition of the finances of the State,) devolves upon him a high and unusual responsibility, and, if not a mortifying, certainly not an agreeable task.

Highly influential citizens of the State, enjoying the public confidence, and filling stations giving to their opinions undue authority, had united in inculcating the belief, that public and private interests were to be greatly benefitted by the policy which, for many years characterized our legislation. At length, however, the enormous amount of our public debt, destroying altogether public credit, roused the whole people to see and feel the reality of our situation.—The apprehensions, very naturally excited by the deplorable condition in which the finances of the State were found to be, were in some degree soothed by the measures of your immediate predecessors, designed as they were, to furnish the means whereby the faith of the State should be maintained, and its engagements promptly met, and fully discharged. But it has now become my painful duty to announce, to you, that these measures have proved inadequate to the accomplishment of the object for which they were designed. This duty, unpleasant and mortifying as it is, imposes however, responsibilities far short of those devolved upon you, who are not only to ascertain and expose the extent of public embarrassments, but to devise and apply an appropriate remedy. But whilst the constitution assigns to you this more important labor, it is believed to be not unbecoming for me to declare, that the time has arrived when a decisive and distinct course ought to be adopted and pursued, as being alike due to our common constituency and their creditors. Coming as you do from the bosom of the community; representing every section of the State, enjoying its confidence, and familiar therefore, as you must be, with the wishes, intentions and resources, you are qualified, and doubtless prepared to examine and dispose of every question suggested by the condition of our public affairs in a manner satisfactory to all parties interested.

In estimating the extent of the obligations of the people of Maryland for which provision is now to be made, we must include a portion of the public debt of the city of Baltimore; because, to the extent of the contributions of the people of that city to pay the interest on their own internal improvement debt, their means to meet the necessities of the State government are necessarily diminished. Of the whole debt of that city, $4,830,000 were borrowed by authority of the Legislature, to prosecute the system of internal improvement. This large sum being invested in stocks, yielding little or no dividend, the corporate authorities of Baltimore are compelled annually to levy $270,000 to pay interest. In addition to this, an annual tax is paid for municipal purposes, analagous to the contributions of the people of the several counties for local objects. To decide rightly then, as to the capacity of the people of the whole State to endure the taxation necessary to maintain the public credit inviolate, we are to form an aggregate of this internal improvement debt of our Commercial emporium, and of the unproductive investments in road and canal stocks made by those who have acted directly under State authority.

The public debt of the State is $15,211,393.94;—deducting from this sum $3,200,000 for the bonds issued to the Baltimore and Ohio Rail Road Company, $1,000,000 for the subscriptions of the State in the stock of the Baltimore and Ohio and Baltimore and Washington Rail Road Companies, and certain other amounts considered by the Treasurer as not *now* chargeable upon the Treasury, and we have $10,000,000, of the State's debt, bearing an annual interest of $600,000 for which we are to make provision. To this is to be added, $4,870,000 for the internal improvement debt of Baltimore, and there is then ascertained, a public debt of $14,830,000 with an interest of $870,000, annually chargeable on the whole property of the State assessed at $196,751,148.98, requiring a permanent tax of 71 cents in the hundred dollars for the city of Baltimore, and 31 cents on the hundred dollars for the residue of the State.

Besides this amount of permanent debt, there is due to the Banks of the State $128,202,—to Messrs. Barings of London $104,864, and to the holders of the State bonds $626,589, making $859,656 payable on the first day of December 1842, for interest in arrear.

The Legislature at an extra session holden in April 1841, authorised the levy of a direct annual tax of 20 cents in the hundred dollars, and, at Dec. session of the same year authorised an additional tax of five cts. in the hundred dollars, the whole for the years 1841-'42, amounting to $885,380, and made payable by instalments into the Treasury by the first day of March 1843. Of this amount the Treasurer has received the sum of $262,994.52; the city of Baltimore and each of the counties in the State, except Worcester, Somerset and Calvert, having paid a portion of it. The Treasurer has paid this sum to the Banks of the State on account of advances made by them to the Treasury, thus reducing their claims to $128,203, as before mentioned, and leaving a balance of $622,386 due, and payable to the Treasury on or before the 1st day of March 1843, and applicable to the payment of the $859,656 for interest in arrear.

In this aspect of the condition of the public finances, all reference to the income of the State other than that to be derived from the direct tax is purposely omitted, the Treasurer being satisfied that the revenue from other sources will not exceed the amount required to defray the ordinary expenses.

Taking this view of the debt and resources of the State, the Senate and House have the opportunity to determine whether the existing assessment laws require any modification, and whether an increase of the direct tax can be looked to as a means to maintain the public credit. It is presumed, that it cannot be the purpose of the legislature to compel, by the policy of its enactments, the destruction or conversion of the capital of the tax-payers, as that would inevitably, and soon exhaust the sources of revenue. Assuming, then, that the taxes are to be paid out of incomes and profits, it may be well to consider whether, instead of adding to the direct tax, at this time, it would not be proper to extend indulgence, by prolonging the time within which taxes now due are made payable.

The payment into the Treasury, as is now by law required, of $622,389, between the first day of December, 1842, and the first day of March, 1843, a period of three months, is equivalent to a tax made payable in twelve months, of one hundred and twenty-four cents in the hundred dollars. If, in the exercise of a benignant indulgence that seems to be called for by the character of the times, the legislature should extend the period within which these large exactions for public purposes are to be raised, to the end of the present fiscal year, still, the incomes and profits of the people of the State would be so much reduced as to make the strictest economy with all, and serious privation with many, necessary and unavoidable. For it must be remembered that, in addition to the large sum due and payable on the first of March next, existing laws and the wants of the Treasury demand, that a further sum of $491,877, shall be collected by the first December 1843. By adding this last amount, being the tax of twenty-five cents in the hundred dollars, payable annually under acts of April and December sessions of the year 1841, to the $622,389 due on the first of March next, in pursuance of the same laws, and the $270,000 annual internal improvement tax of Baltimore city, we discover $1,384,266 is to be paid within the year, equivalent to a levy of ninety-seven cents in the hundred dollars for Baltimore, and of fifty seven cents for the State at large.

From what has been said, it is apparent, that it was the design of the legislature to provide for the payment of the whole interest in arrear on or before the first of next March; and it is equally manifest, this object will not be accomplished. The interest in arrear is, as already stated, $859,656, and the revenue intended for its payment being only $622,386, there will be a balance of $237,270 chargeable on the assessment of 1843. To this we are to add $600,000, the anticipated deficit in the Treasury for the year 1843, making $837,170, and from that sum to deduct $491,877 the revenue to be expected from the direct tax for the same year, and there will be a balance of $345,393 to be provided for.

As the sinking fund may be looked to by some, as a source of supply to the Treasury, it is proper to state, that of this fund $1,158,476 is invested in the bonds of the State, and that the balance of $20,856 alone could be made available.

The general stagnation in business, the depression of prices, and diminution in the amount of the currency, naturally lead us to inquire as to the policy of providing a medium, that would facilitate the payment of the very large amount of taxes to come into the Treasury within the present fiscal year. Neither inconvertible paper, nor an increase of the bank issues are to be thought of. But it may not be considered inexpedient to authorize the tax-collectors to take in payment of the public dues, the coupons of the State bonds, and certificates of the commissioner of loans for interest, which it is proposed to pay out of the revenue to be collected. These evidences of debt are now much below their nominal value.

They may be purchased by capitalists at present prices, and as the means for their ultimate payment are provided, the holders hereafter are to make a valuable speculation. If a certain portion of them were made serviceable in the payment of public dues, to be destroyed by the Treasurer upon being received, every tax-payer could become a purchaser; the prices of them would be increased by competition in the market, and the burthen of the taxes would be diminished to the extent of the difference between the sum paid to the holders of claims for interest and the par value of such claims. In the event of such a policy being adopted, it would be necessary, of course, to classify these claims against the Treasury, so as not to have those receivable in any one year to exceed the amount of revenue payable within the same period.

The expediency of authorizing the Treasurer to use the bank stocks of the State by their transfer to its creditors, to meet the current demands upon the Treasury, is entitled to consideration. Such a measure would effectually separate the State government from the banking corporations, and in dissolving that alliance be productive of much good; and to the amount of the bank stock relieve the people from heavy and burdensome taxation. It does not seem to be sound policy to lay taxes to pay interest while we hold perishable capital that may be rendered, by mismanagement hereafter, entirely unavailable. To guard against unnecessary sacrifice, a minimum price could be fixed upon the stock.

I have no means of ascertaining what revenue may be expected for this year, (none having been received for the last,) under the various tax laws passed at the last session. To obtain the information, inquiries were addressed to the officers having charge of their execution, and their replies will be submitted for your consideration.

If the law requiring licenses to be taken out by brokers is to be persevered in as a means of raising revenue, a modification of its requirements is indispensable, inasmuch as the sum demanded is so high as to preclude persons from applying for them. The income tax law needs, also, a declaratory statue to ensure to its provisions an uniform construction.

It is impossible to contemplate this condition of affairs without wonder and surprise, that a prudent and economical people, enjoying justly a high character for the punctilious performance of all engagements, public and private, should be involved in a few years, in debts so enormous. In 1830 the State was in full possession of the means from its ordinary revenue, to meet promptly all its liabilities. About that time, the policy of internal improvement which promised to overwhelm the general government with debt and taxes, was undergoing a most strict and rigid examination. Public attention was directed intently, to the deliberations of Congress on the subject, and a public opinion, deep, strong and resistless formed against the whole system, as equally premature, unwise, inexpedient and unconstitutional.

The veto of the then President on the Maysville and Rockville roads, and his triumphant re-election in 1832, were hailed as indications that the day was yet distant, when the people of the U. States were to be made to feel, that no form of government can be considered a guarantee for the peaceful enjoyment of the rewards of industry. Those who were administering the government of the Union, in all its departments, heeded the admonitions given by their constituents at the elections, and a course of measures in accordance therewith, eventuated in the payment of the whole national debt, in the reduction of taxes, and in the accumulation of a surplus of revenue of $28,101,644,91, which was afterwards distributed to the States.

Unfortunately for this ill-fated State, every department of its government was under control of those holding opinions, which had been condemned by the judgment of the whole country. They refused to abandon altogether, an extravagant system of roads and canals that cannot be consummated in a country like the United States, where population is scattered and sparse. Measures were taken to place Maryland in the van of those States ambitious of rivalling Great Britain, Holland, and other countries, where the population is crowded and dense, and where their vast numbers justify large expenditures to facilitate intercourse.

In the short space of seven years succeeding the veto of the President, our State debt was augmented more than twelve millions of dollars. Within the same period, other roads and canals were projected, until (it will seem incredible now when the public mind is perfectly sobered,) we beheld the little State of Maryland, having ten thousand square miles of territory, and 318,194 white inhabitants, staggering along with undertaking that would task the financial resources of the whole kingdom of Great Britain, clothed as it is with power, by means of its standing armies, to extort for public purposes, from the hand of industry, every dollar it has earned.

We were, at one and the same time, projecting or constructing a rail road to Annapolis, a rail road from Baltimore to Washington, a rail road from Baltimore to the Susquehanna, a rail road on the Eastern Shore, a railroad from Baltimore to the Ohio, and a magnificent canal from tide water on the Potomac to the Ohio river. If the people of the State had then comprehended, as they do now, the means by which this grand system was to be conducted, it is not to be doubted but that they would have risen in their strength and swept from power, every where, all its authors. Or, if the unfortunate purchasers of Maryland bonds had then understood, as most of them now understand, the financial measures devised to ensure the punctual payment of interest promised upon the face of them, speculators and their speculations must have been arrested, for no one would have been hardy enough to make investments of his capital in securities, for the payment of the interest on which, no suitable means had been provided

There was a time when no statesman would have risked his reputation by proposing to contract a public debt, without at the same time levying a tax to pay the interest, and eventually to redeem the principal. It was considered but just to levy the tax that those who were to pay the debt might have full and distinct warning as to the extent of the obligations they were entering into; and, it was esteemed equally just to do so, that the public creditor might make his investments on a sure foundation, and with a perfect understanding of their character. This salutary rule was disregarded by those who had charge of our public finances. They depended for the payment of interest upon contracts, entered into with the various companies to which bonds had been issued, and those companies relied upon the remote and very contingent possibility that the works projected, would when completed, afford an income to pay interest on the cost of their construction. By this proceeding both the tax-payers and the public creditors of Maryland have been misled; and now, the alternative is presented of repudiating our debt, or, of submitting to the exactions of the tax-gatherer.

Such was the indignation of many, when first awakened to a true conception of the whole subject, that a strong disposition prevailed to deny all obligations to pay the debt, on account of the absence of constitutional power in the Legislature to contract it. In support of this opinion, the thirteenth article of our Bill of Rights, (which is declared to be a part of our Constitution,) is mainly relied upon. It is not obvious that it will bear such a construction. And moreover, it is not clear that it would be right now to interpose such an objection to the payment of the debt, since the people of the State have year after year, from the various counties and cities, re-elected those who were fastening on us the policy, now so grievous in its consequences.

The article of the Bill of Rights alluded to, declares that, "every person in the State ought to contribute his proportion of public taxes for the support of government, according to his actual worth in real and personal property." It is contended that taxes can be levied only *"for the support of government,"* engaged in legitimate objects, and it is denied that the construction of roads and canals is one of the purposes for which the government was organized.—Without intending to enter into the argument, it may not be amiss to remark, that one of the modes of ascertaining the meaning of the Bill of Rights is to be found in the practice, purporting to be in pursuance of its provisions, of those by whom it was framed.

Looking for that practice we find the statute books of Maryland are full of laws authorising the opening and establishing of roads. And we find also there, numerous acts of Assembly delegating power, (and the Legislature cannot delegate what it does not possess,) to the corporate authorities of cities to open, pave, and otherwise improve streets, and to commissioners and other officers of counties, to lay out and repair roads; to build bridges, and to levy on the assessable property within their respective jurisdictions, taxes to defray the expense attendant upon the exercise of the powers thus granted.

Whatever may be the contrariety of opinions, all doubtless, honestly entertained, as to the constitutional competency of the Legislature which contracted our internal improvement debt, it would seem there must be a concurrence of opinion, that the present lamentable state of things demands some guaranty to the rights of private property for the future. However the contest between those who deny, and those who contend for the existence of this power in government may eventuate, it is easy to forsee the most lamentable consequences are inevitable to one or the other class, equally innocent, of its unfortunate victims. If the debt could be repudiated, numerous bond-holders are to be beggared; and if it is paid, the people of the State are to be oppressed, most grievously, with taxation. Seeing this, ought not all to unite in devising an effectual, complete and perfect guard against a possible recurrence of such painful alternatives.

Experience proves that the vigilance of the people is not always a sufficient guard against improvident legislation. Occupied as they must be, by daily returning toil, in pursuits intended to secure personal comforts for themselves and families, they have not an eye constantly fixed on the proceedings of their representatives. Intervals of a long series of years will occur, when public attention is diverted too much from the action of the government, and at such times, mistages and abuses, in the administration of public affairs, gross and glaring, will be committed necessarily. For these ordinarily, a remedy is to be found in a change of rulers. No such remedy however can be applied where the public faith has been pledged under contracts, entered into by one generation, to be fulfilled by another. This being the case, the instances in which, and purposes for which a public debt may be contracted, ought to be pointed out, distinctly as possible, in the constitution.

As necessarily connected with the subject of the public debt and internal improvements of the State, the attention of the legislature is invited to the law passed at December session, 1840, prescribing the mode in which all agents and directors, intended to represent the State in the joint stock companies, shall be appointed and continued in office. To appreciate the purpose, intent and effect of this law, a few preliminary observations are indispensable.

It is known everywhere, that prior to 1836 the Governor of Maryland was elected by joint ballot of the two Houses of the legislature. It is equally well known, that at that time, such was the unjust principle of apportionment, adopted in the distribution of the members of the legislature to the several counties and cities, that a very small minority of the people had perfect control of both branches This took necessarily and entirely out of the hands of the majority, the whole executive and legislative power of the State. For a long series of tedious years, the majority continued to remonstrate against this anti-republican and tyrannical organization of the powers of government. Their petitions were not heeded, although the legislature was especially clothed with power under the Constitution to remodel and amend it, so as to adopt its provisions to changes, which its framers foresaw, when they were fashioning it more than half a century ago, would take place in the distribution of the wealth and population of the State.

Wearied at last with merely petitioning for a surrender of usurped power, exercised as it often was most unjustly and oppressively, the representatives of the majority of the people, the patriotic and glorious nineteen senatorial electors, in strict conformity with the very language of the Constitution, devised and executed a movement, intended and well designed to force, if not an entire surrender of inalienable rights, at least some compromise of conflicting claims. The movement was succeeded by amendments to the Constitution, re-organizing the executive and legislative departments of the government. The people were authorized by direct vote to elect a chief magistrate, clothed with all the executive powers which his predecessors had possessed.

The House of Delegates was new modeled, so as to make it approximate more nearly than it had done, a body where the popular will could be reflected.—The members were also re apportioned amongst the counties and the city of Baltimore, but neither wealth nor population was made the basis of representation. An arbitrary rule was adopted under which, the large counties and the city of Baltimore have five, and the smallest counties have three delegates. The Senate was changed, so as to dispense with the agency of electors, each county and the city of Baltimore having power to chose one member. And now, the Senate is so constituted that the members in that body, representing less than one third of our population, can prevent the passage, or repeal of laws, against the sense of the other members of that body, representing the other two thirds of the population, and the entire House of Delegates united.

At the time of the election of my predecessor, the agents and directors of the State in the several joint stock companies were by law to be appointed by the Governor, subject to the confirmation or rejection of the Senate. This mode of appointment had prevailed during the existence of the old Constitution, while the minority had uninterrupted sway. This power is now not only taken from the Executive, but from the House of Delegates. The present agents and directors of the State were appointed by this law at December session 1840, to continue in office until their successors should be chosen by concurrent vote of the two houses. They have been continued in office since without re-appointment, as the House of Delegates and Senate have never concurred in the election of their successors, and it is not probable they will speedily do so.

The interest of the State is very large in the companies incoporated to make roads and canals. The power of those companies is very great to effect the well being, the happiness and prosperity of the people. Through their influence over the Legislature, an enormous public debt has been contracted. In the exercise of their authority, the whole currency of the State has been repeatedly deranged. Their incomes and disbursements exceed largely the ordinary revenue and expenditures of the State, and in fact they constitute an *imperium in imperio*, sufficiently powerful to justify a people jealous of their rights, in insisting upon the subordination of their governments to the only sovereign power in the State, the popular will signified through its immediate representatives.

It is most respectfully submitted for your consideration to determine, whether this law of December session 1840, ought not to be repealed, or at least remodeled so that the authority with which the Senate is now clothed, may be placed in the House of Delegates, or in the Legislature, to be exercised on *joint* ballot, to guard against its employment for any other purpose than those promotive of the great public interests involved. It cannot be expected that all parties, and all classes can be harmonized in support of any system of taxation that may be devised, if the whole people are to pay, and the minority alone, to manage and expend all the public revenue.

Letters will be communicated which have been received from the Treasury Department of the United States, giving information as to the distributive share of this State of the proceeds of the sales of the public lands. From them it will appear, that the distributive share of Maryland is $15,187 84, and that the claim of the United States on account of interest due on Maryland bonds held in trust for certain Indians, is $19,483 81, and that the Treasurer of the United States has retained the whole fund, and still has an unsettled demand for $4,296 27.

Nothing has influenced more fatally the evil councils by which so many of the States have become involved, than the delusive expectations rekindled constantly as fast as they are quenched, of pecuniary largesses from the national treasury for the State purposes. The distribution law, (miscalled the deposit act,) which beggared the general government, whilst but few of the recipients of its bounties have been enriched, caused a most unfortunate revolution in public feeling, if not in public opinion. The possession of that fund stimulating as it did the wildest public speculations destroyed at once, all those salutary restraints founded in the habits of the people, and the condition and powers of their local governments.

An inexhaustible fountain of wealth, it was believed, had been opened, which was to flow in perennial streams into the State treasuries.—State legislators, it was thought, were no longer to be limited in their operations, or abridged in their expenditures, by the amount of revenue they might be emboldened to take directly by taxes from the pockets of the people. A new source of supply was to come through the breach made in the Federal Constitution. Private property was to be obtained for public purposes, by a less perceptible, because more circuitous route.—High tariffs were to be levied to supply, not only the demands of the national treasury, but in conjunction with the land sales, to furnish a surplus for distribution, after that deposited was exhausted. Under the influence of these and similar delusions, the large and oppressive debt of Maryland has been contracted.

And now, when the people are groaning under the weight of the taxes imposed, we have an exhibit of their share of the vast amounts expected from the national treasury, in a sum in-sufficient to pay the interest on a few bonds held in trust for tribes of Indians. This is the result of the land bill. It is as fruitless as ashes. This melancholy and mortifying disappointment to most buoyant hopes, should warn the tax payers not to be tantalized by specious devices. Our public debt, if paid, must be paid out of our own resources. Whoever thinks otherwise, follows a phantom.

The evil consequences, threatened by our State liabilities to our institutions, are greater far in the measures they have prompted as a means to escape their direct payment, than their effects as invasions of the rights of private property. There is an energy and elasticity in the American character, that will soon cause the whole country to recover from its present depression, without governmental aid in any form. But there is cause to fear that errors of opinion, growing out of our pecuniary difficulties, as to the nature of our complex and beautiful system of government, may not be so soon eradicated. Unlimited authority to dispose of the public lands, was not seriously and generally claimed for the government of the Union, until after the power to consummate a grand system of roads and canals was denied to be in Congress.

After that, the deeds of cession for that part of the national domain lying east of the Mississippi and north of Florida, were so construed as to make language, declaring expressly that the land ceded to the United States "should be considered a *common fund*," for the use and benefit of the United States, mean that the grantee in the deed should dispose of them, and make *separate funds* for each of the States in the confederacy; and the stipulations in the same deeds that the lands should be used for the benefit of the *United States*, according to their usual "respective portions in the general charge and expenditure," was made to signify, that Congress should have power to distribute to the *several States*, the money arising from land sales, not according to their respective portions in the general charge and expenditure, but to an *arbitrary rule* of distribution, to be found in the land bill.

As to the vast domain purchased by money out of the common treasury, no power to distribute the proceeds of its sales being found in the several treaties, authority for that purpose was derived from that article of the Constitution intended only to clothe Congress with power to sell the lands, or dispose of them in the same manner as the other property of the United States may be, for the purposes of the general government.

The land bill, the creature of these constitutional doctrines has had its day. It has most signally failed to answer the purpose of its authors, and we are now to encounter, in another form, a temptation to give such an enlargement to the powers of the general government, as would ultimately consolidate under one head, all those now possessed and exercised by the several States.

The proposition to issue a government stock of several hundred millions of dollars, to be exchanged for State bonds, has as yet but few public advocates. It is however sufficiently countenanced to justify serious consideration. It is not designed to relieve the people of their obligation to pay annually the interest of their public debts, but, to have the taxes for that purpose levied by our representatives in Congress instead of by the members of the State legislature. And it is intended to have the necessary taxes imposed on our wearing apparel, on our sugar, coffee and salt, instead of our lands and personal property.

There is no power in Congress to levy taxes, duties, imposts or excises which shall not be uniform throughout the Union. There is no surplus in the national treasury. It is then obvious, if the States' debts are to be assumed, that it will become necessary for Congress to levy heavy taxes, not only on the people of the indebted States, but upon those of the whole Union. How the States involved would be relieved by this process is not perceivable. The tax gatherers, it is true, would be placed out of sight, but their exactions would not be on that account the less exorbitant. And our constituents, without experiencing any alleviation of their own burthens, would have only such consolation as might be derived from the conviction that they had assisted to extort from their fellow citizens in other States, large amounts of their means, not needed for the purposes of their governments, and therefore destined to be wasted in extravagant projects of improvement, or on objects even less advantageous.

Besides, no article of the Federal Constitution even by the most forced construction, can be called in aid of this bold undertaking. In all the precedents relied upon to justify such a measure, it will be found that Congress required that the debts of the States to be assumed should have been contracted in the discharge of such duties as the general government is authorised to perform for the whole Union. Such was the basis and character of the act of 1790.

If Congress will assume the payment of State debts, without regard to the purposes for which they were contracted, there will then be no limits to the power of the general government, worth preserving, except those to be found in the State Constitutions. In such an event, we would be already under a consolidated government, and the present generation would in all probability witness, a division of the Union into as many separate republics as there are contrarient and antagonist interests, now moving in perfect harmony around a common centre. If you concur with me that consequences like these may possibly grow out of the proposed measure, it cannot be doubted but that your deliberations will result in its prompt rejection.

The annual communication of the Chesapeake and Ohio Canal Company has been received, and will be laid before you. It makes an exhibit of its affairs, by no means encouraging. The debt of this company to the State, for interest, was on the 1st December, $1,104,368. Their debts to other parties on the same day, amount to $886,677.—They require to complete the canal to Cumberland, $1,545,000. This bankrupt condition of the Canal Company, and the deep embarrass

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