reference to any other parts of the law than those which may have an immediate bearing upon the present proceeding of the council. The act authorises the Canal to be finished to Cumberland by the sale of bonds to be issued by the Canal Company, to an amount not exceeding, one million seven hundred thousand dollars. ($1.700.000) with preferred liens upon the revenues of the Canal, but requires before issuing the bonds, that one or more of the incorporated companies of Allegany County, or other incorporations or individuals, shall by a proper instrument, with security, to be approved by the States' agents and the Governor of Maryland, guarantee to the Canal Company an aggregate transportation on the entire length of between Cumberland and the District of Columbia on the Canal of not less than (195,000) one hundred and ninety five thousand tons of tonnage per year, on an average of years for five years, dating from the end of six months after the completion of the Canal and the opening of the navigation to Cumberland.

In thus requiring a stipulation for an amount of tonnage, and not for revenue, and without any regulations of the rates of charges, and in requiring as principles in the guarantee parties who of all others are more immediately and deeply interested in the cheapest transportation, it is obvious that a new and most important inducement is superadded to retain the charges upon the Canal at the lowest rates; indeed at rates sufficient only to yield the interest payable upon the bonds now to be issued for its completion.

Should such inducements prevail, it might not be difficult to maintain such low rates, as while they might possibly meet the expectations of the bond holders, might, if not counteracted, produce some diversion of the transportation generally from Baltimore to the district of Columbia, and without yielding to the State, entail upon this city, in addition to the loss of the trade, a heavy and disproportionate annual tax to construct and maintain a free work for the benefit of foreign and rival cities.

Your committee do not doubt that this policy, should it be permitted by the Legislature, notwithstanding the injury it would inflict upon the finances of the State, may be readily counteracted, and that, by a proper co-operation between the city authorities and the Rail Road may be so reduced as to defy any serious competition, and

certainly

certainly bring upon the rail road to Baltimore, not only the produce of the soil, but also coal and iron, and all kinds of lumber.

In the opinion of your committee, it needs only the proper spirit and determination by the city authorities and the railroad company, to prevent the possibility, even if the canal be used as a free work, of diverting the trade and transportation into that channel.

The advantages enjoyed by the rail road in the transportation of passengers would enable the rail road company, without oppressively impairing its dividends, if it should become necessary, to reduce its charge for the transportation of tonnage to merely nominal rates, and rather than allow the trade to be engrossed by foreign rivals, this city, as one of the largest stockholders, might offer such additional encouragements as for the transportation of tonnage, would constitute the rail road free, and thereby defy any competition whatever.

Experience, both in Europe and in the United States, is already showing that the railway systems, successfully competing with Canals in the transportation of tonnage, and in this, the city has a sure resource from any injury from the canal.

It is believed, from the best information the committee have obtained, that after the Canal shall be completed to Cumberland, if its managers be required to enforce such tolls as, on any given amount of trade, will be sufficient to defray the expenses of working it, and accomplish the payments contemplated by the recent law, it will be only necessary to ensure a preference to the transportation to Baltimore, to make a slight reduction of the present rates on the rail road upon a few articles, provided authority be granted by the city authorities to construct the railway tracks to some suitable point on the water accessible to locomotive engines, for the transportation of coal, iron and lumber, and of articles the value whereof in market bears but a small proportion to their weight, and that all such articles be exempted from the present harbor charges.

From recent examinations, carefully made, it is ascertained that, independent of objections arising from the general business of this part of the city, and the insufficiency of the bridge over Jones' Falls, locomotive engines cannot be advantageously

employed