

Secondly. It is estimated that the extension of the canal from the Potomac to Baltimore, will cost \$4,500,000.

Thirdly. That the railroad to connect the canal with the coal regions in the mountains, will cost about two million dollars more, making an aggregate cost for improvement and construction of about eight million, five hundred thousand dollars.

It must not be overlooked, however, that there are debts and claims binding on the revenues of the canal Company, other than the large debt to the State, and having priority thereto, which, if capitalized, will be (say) \$2,000,000 in addition. Thus we have to face a difficulty in the outstart of \$10,500,000.

The question presents itself, how is this large sum of money to be procured?

In solution of this difficulty, we must first look to the effective results of the proposed expenditures.

Suppose the canal and its railroad connections to be completed on the proposed scale of usefulness. Suppose boats of 300 tons burden, delivering direct into ocean ships at Locust Point. Suppose the prism of the canal in its whole distance, made secure from loss by flood and overflow—and its navigation provided with never-failing supply of water. Suppose the leakage of its revenues for "construction" account, and for "ordinary repair," and for "extraordinary repair," and for tow-path to be stopped and hermetically sealed up. Suppose, then, as consequent upon these expenditures, the cost of boitage shall fall from \$1.25 to 50 cents a ton, with such results, would not the tonnage of the canal double—would not its net revenues more than double?

From the report of President Gorman for 1874, the gross revenues of the canal were \$517,412—its net revenue was \$227,204. The charges on this gross revenue, however, were for "construction," \$13,649—for repair, \$76,649, and for "extraordinary repair," \$53,487, making up a total cost under these heads of \$142,720.

If, however, the canal had been in the perfect condition, as proposed for the new canal; the charges for "construction," and for repair "ordinary" and "extraordinary," would surely have been abated by at least \$100,000, and the net revenue would have been \$327,000.

Thus we may safely estimate the canal as good for an interest on \$5,000,000. When enlarged and extended to Baltimore as contemplated; its net revenues would surely be duplicated, and it would yield an interest on \$10,000,000.

This estimate, however, your memorialist submits is ab-