

dients are, for short distances, 40 feet per mile, though usually less than 33 feet; nearly 20 miles of the road have a less inclination than 12 feet per mile.

Ninety-eight sections into which the whole line was divided, have been "let out" to highly respectable and experienced individuals, at prices favorable to the stockholders, and yet deemed at the time, sufficient to afford skill and industry fair compensation. Those, however, who took contracts during last winter and spring, when provisions and labor were comparatively cheap, have, by the subsequent scarcity of both, together with the unusually severe and protracted winter, had their expected profits greatly reduced. An increase in the price of labor and provisions was at the time looked for, but not to the discouraging extent which has been realized. This increase has exceeded fifty per cent. in the price of provisions, and in that of labor, consequent upon the great demand for laborers elsewhere; it has been from 75 and 87 1/2 cents per day, to \$1 00, and \$1 25. Notwithstanding these disheartening circumstances, contractors with one or two exceptions, have pushed their work with an energy and perseverance worthy of greater remuneration than they will probably realize at their contract prices.

To these embarrassments have been added, on some sections, unexpected difficulties in the excavation of earth and rock. Where such cases have occurred, and where, notwithstanding the unfavorable circumstances operating against him, the contractor has urged forward his work with skill and energy—I consider his case a fit subject for the exercise of liberality on the part of the company; at least for that liberality which would in part compensate for losses fairly incurred.

To this date, not one contractor has abandoned his work on the road.

It is now somewhat more than nine months since the commencement of the first division, composed of by far the most difficult and expensive sections on the road—The following sections, including some of the most difficult, are either wholly finished, or on the point of being so, viz: the 1st, 2d, 3d, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 16th, 17th, 18th and 19th. The remaining five sections of this division, together with all