

of future operations might be designed, and submitted in detail to the Legislature, that the proceedings of that honorable body may be adopted with a clear view of the nature and extent of the engagements which they are called upon to sanction. These estimates and statements are in the appendix to this report. The estimates have been carefully and skilfully prepared, and authorise me to state that the fifty miles of canal, to be constructed between dam No. 6 and Cumberland, will have cost when completed

	\$4,440,350
Of this were expended January 1, 1840,	2,030,128

Leaving to complete the work	\$2,410,222
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The resources of the canal company on the first day of January, estimating £318,175 of Maryland five per cent. bonds at par, were

	\$1,489,571
Its liabilities were on the same day	1,244,555

Leaving a balance for accruing debts, of	\$245,016
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The estimates of the probable cost of the canal are made out most carefully. To ensure accuracy, the chief engineer has been requested to revise them again and again. The board believe they may be fully confided in. Experience thus far justifies the opinion. The cost of the work done does not exceed the estimates. The work to be done can proceed under such auspices as to make it morally certain that it will be finished for a sum less than \$2,410,222. Prices of labor and provisions are now, and will for some time continue to be moderate. The company is extricated, although at great sacrifices, from its most onerous and unfortunate pecuniary embarrassments; and the present board of directors will enter into no engagements, without being well prepared to fulfil them with promptness and punctuaitly. With this intention, and with a determination to practice economy in small as well as in large matters, every branch of the business of the company will be reformed. Every officer and agent whose services are not believed to be indispensable, has already been discharged. Instead of one hundred and eighteen officers and agents in appointment on the 10th of June, at a compensation of \$70,635.75 per annum, the company have now in their employ seventy-eight persons, to receive annually \$43,911. Each and all the works in progress on the line of the canal, have been particularly inspected by the chief Engineer; and the result of his investigations were laid before the board. The facts adduced by these examinations produced a conviction, that an entire change in the plan of operations on our works in progress, might be adopted with a certainty of economizing the funds of the company, without postponing the time when the whole line of canal from Georgetown to Cumberland may be ready to receive the valuable minerals of the mountains, destined to be borne upon its bosom.

It is not proposed at present, to construct a feeder for the canal, at