

permitted a large and valuable body of laborers and mechanics to seek employment on other public works. When confidence was again restored, their places could only be supplied by the offer of increased prices.

That the cost of the canal, under existing circumstances, should greatly exceed estimates, made under different and more favorable auspices, cannot, it is presumed, excite surprise. The causes are plain and obvious, and such as human sagacity could not foresee or guard against. Similar influences have operated in producing like results on other public works in this country and in England, and it is believed that the increased cost of construction on the Chesapeake and Ohio Canal will be found to compare favorably with those works since 1834.

For a further, and probably more satisfactory exposition in regard to the increase in the cost of the work, I beg leave to refer you to the accompanying report of C. B. Fisk, Esq.—

The board with the most ardent and anxious desire to discharge the responsible duties devolving on it, in a manner satisfactory to itself and the various interests it represents, carefully weighed and examined all the considerations which should determine its action. It had decided not to sell the State bonds at the sacrifice which it was seen must be incurred if thrown into the market; but rather to await the meeting of the Legislature, in the hope that some arrangement more to the interest of the State and the company might be made, by which the bonds could be rendered more available. But in coming to this decision the board was fully aware of the embarrassments to which it might be subjected, by the uncertain reliance on loans. It was aware too that the cost of the work under the contracts, would greatly exceed the estimates on which the subscription by the State in 1836 was based; growing out of the causes above recited, and which could not be foreseen. These considerations were calculated to induce hesitation. But on the other hand, the State was committed as subscriber and lender, to the amount of nearly six millions of dollars, and could expect no return, until the completion of the canal to Cumberland, the point to which we look for its revenue, and the means of reimbursing the State.

The interest on the \$2,000,000 loan, amounting to \$120,000 per annum, had been punctually paid into the Treasury of the State; but in the event of a suspension of the work, the company could no longer have met the engagement; and to discharge the interest on her stock, issued in virtue of that loan, the State would be compelled to resort to taxation. Other and very important interests are also connected with this work as stockholders, and are looking to the completion of the canal, in the hope of receiving some return for their investment. Individuals and companies have also engaged largely in speculations in the mineral region, anticipating profitable results on the opening of the canal from Cumberland, and are making arrangements to commence operations on their mines of iron and coal, and to construct rail