

is to about the amount of work that remained to be done on the first of the present month.

In the past year 50 per cent more of work could easily have been done, but for the embarrassments of the company early in the season, and the fear for several months past to press on the work vigorously lest the company should again be unable to meet its engagements.

3rd. Effects of last winter's embarrassments. I will particularly refer to but one contract; that for the tunnel. We have in much detail the cost of this work for each month since its commencement.

The effects of last winter's embarrassments upon this contract, extended through six months; during which time the work cost per yard a little upwards of 35 per cent. more than it did before and has done since, the embarrassments referred to.

The loss on these six months work at the tunnel was \$20,000, in doing work that ought not to have cost exceeding \$56,000.— During all this time the contractor managed as well as any one could, with 500 men around him who had become outlaws from his inability to discharge them, and from the inability at all times of the civil authority of the State to restrain the laborers along the line of canal from frequent and open acts of violence.

What is here stated in regard to the tunnel, is true, to a less extent perhaps, of other parts of the line. Contractors with ample means of their own at command, and those with comparatively light contracts, suffered less proportionally than others, from their being able to pay off and discharge the laborers in their employ when the means of the company failed.

4th. Increase of the present over the January 1836 estimate.

That estimate amounts to \$3,560,619, the present to \$6,080,657. The latter being in excess of the former nearly 71 per cent. In this comparison no mention is made of dam No. 7 in connection with the present estimate, as dam No. 6 was not included in the January 1836 estimate. I would further remark that no notice is taken of certain additional works embraced in the present estimate and not included in the former one, and which would go to reduce the per centage of increase.

As evidence that the prices of the January 1836 estimate were sufficiently high for the time, I will state that an application of the prices paid for the work of the 108 miles of canal between dam No. 5 Georgetown, to the quantities of the January 1836 estimate, makes an amount less than that estimate.

A like application of the United States Engineer's prices for the same work, to the quantities of the January 1836 estimate, produces also an amount less than estimate.

An application of the *prices* of the January 1836 estimate for the 50 miles, to the *quantities* of the estimate now submitted, shews that sixty per cent of the increase of the present over the January 1836 estimate, is chargeable entirely to the increase that has taken place in the cost of work since the making of that esti-