

	In receiving the revenue from the South Branch trade upon an additional distance of,	Miles.
Over the plan of feeding from a reservoir (No. 5.)		36½
Over the plans of feeding from the Pawpaw Bend (No. 4. & 5.)	do.	16½

With regard to a current taking place in the tunnel by feeding through it to the lower levels. I will remark firstly, that its motion will be trifling; and secondly, that as the heaviest trade will be descending, it will prove a positive advantage rather than the contrary.

In concluding this subject, I would respectfully advise the directors before deciding upon this important matter of an "intermediate feeder" to instruct their engineer,

- 1.—To make a definite location for a feeder from the South Branch to enter upon the 68th level, and an accurate estimate of its cost.
- 2.—To make such surveys of Town creek as to determine all the questions necessary to ascertain the merits and cost of a reservoir near its mouth, to enter by a feeder upon the 67th level.
- 3.—To comprise in a report all the information necessary to a just decision upon the respective merits of these two plans for feeding the 50½ miles of canal.

If the directors should concur with me in the opinion that all idea of feeding the canal from a dam in the Pawpaw Bend, ought to be abandoned, it would in that case be proper to notify the Baltimore and Ohio Rail Road Company of that fact, in order that they may be enabled to lower their grade in the Pawpaw Bend; where now, apprehensive of our company requiring a feeder dam at the Tumbling Dam Falls, they have traced their road upon a much higher and more expensive level than they need to, or would have done, if they had possessed unreserved command of the valley of the river at the time when the location was made.

Having now touched upon all the subjects of any importance which have occurred to me in connexion with the 50 miles of unfinished canal, I shall pass on to consider the third division of this report.