

pany, in such manner as it might deem just and proper under all the circumstances of the case, and the company would be relieved from the expense, and cares of such further litigation.

The general abstract of the Treasurer, hereunto annexed (marked C,) will show the receipts and expenditures of the company from its organization to the present time.

The system of retrenching the current expenses of the company which the board of directors had adopted and pursued in the preceding year, was still further prosecuted during the last. By reference to the clerk's statements, (marked D and E,) it will be perceived that the entire compensation per annum, of the officers, and salaried agents in the service of the company on the 30th November, 1842, amounts in the aggregate to the sum of \$18,327. The compensation of officers in the service of the company, on the 1st January last, up to which time our last annual statement was made, amounted to \$30,194 50, thus showing a reduction, at this time, to the amount of \$11,867 50. The number of officers now in the service of the company is reduced as low as it can be, consistently with the requirements of the charter and by-laws, and the indispensable wants of the company; and the salaries are made to correspond with the pressure of the times, and the pecuniary exigencies of the company. And as all supernumerary officers have been discharged, so also have all contracts been declared abandoned since the adjournment of the last legislature. There is not now along the whole line of the canal a single contract for construction in force or operation. The board have studiously abstained from incurring any new debts, wherever it could be avoided.

In the report of the chief engineer (marked A,) to which we have before alluded, a detailed statement is given of the present condition of the canal from Dam No. 6 to Georgetown, and the arrearages due to superintendents for work heretofore done in amending breaches, &c. and to that report we therefore respectfully refer for particular information on these points. It would be very desirable that—in an appropriation for completing the unfinished part of the canal—a sum sufficient to pay off the debts—thus contracted and now outstanding and due, should also be added, as they are a class of debts of a preferred character, and the liquidation of them would tend much to the present credit and more efficient operations of the company. The amount required for this purpose is about forty thousand dollars; and when those debts are discharged we think the annual revenues of the company will be sufficient hereafter to meet all future demands of this kind, as well as the regular current expenses of the company.

During the last twelve months, ending on the 1st December, 1842, the tolls derived from the canal amount to the sum of \$54,000. This presents an increase over the preceding year of only \$1,500, and consequently falls short of the anticipation of the board. We apprehend, however, that the amount received would have been much larger, had not the great depression in the prices