

after the completion of the canal, for the reason that the contractors have undertaken to do for a fixed sum,—many things which, to some small extent, must remain uncertain as to their cost and amount until the contract is entirely executed. For the present, it is assumed that the prices of Messrs. Hunter & Co. exceed those of the “August 1845 estimate” at least twelve and a half per cent., and the monthly estimates of work done and payments thereon are made accordingly. The monthly estimate, therefore, of work done to the 1st inst., in place of being \$583,209,—as it would have been at the “August 1845” prices,—amounts to twelve and a half per cent. more,—that is to \$656,110.

The substitution of composite, for masonry locks, four in number, at and near Old Town,—advised by me and agreed to by the board,—during the past year, was advisable for several reasons.

The quarries that had been relied upon to furnish stone for the masonry locks were found to be very expensive and difficult to work. Quarries, nearer at hand and easy to work, which it was hoped, upon being opened, would furnish stone that might be used to a large extent in masonry locks, were then resorted to. After much time had been spent and money expended in these quarries, it became evident that the stone from them were unsuitable for masonry locks, but were such as would make good and substantial composite locks. By the change of plan it is rendered more certain that the locks will be built in time, and although the cost of maintaining composite is greater than that of keeping up masonry locks, yet the difference in this respect is far more than made up by the interest on the saving in the first cost of the locks.

By an arrangement with M. L. Cresap, the company have been released from an obligation to construct a bridge and forebay over the canal and a basin for the accommodation of his mill. The *cash* estimate of “August 1845” of the cost of these works was \$4,278. The company, by paying Mr. Cresap, in their preferred bonds, a sum about equal to what Messrs. Hunter & Co. were to receive for constructing the works dispensed with, get rid of the expense of keeping up the bridge and forebay, which being of wood, would require occasional renewals as well as repairs from time to time.

The arrangement, now in contemplation, with A. P. Shephard to dispense with a culvert at Old Town, will, if perfected, reduce the amount of work to be done by Messrs. Hunter & Co. about \$3,000.

There are also some other works that it may be advisable altogether to dispense with, but of which I do not speak more particularly, as there may and probably will be works of about equal cost, not included in the estimate of “August 1845” that will be constructed under the contract of Messrs. Hunter & Co.