

NO. 3.

Tunnel, Chesapeake and Ohio Canal, Dec. 12, 1848.

HORATIO ALLEN, Esq.,

President Maryland Mining Company.

Dear sir,—I propose to transport coal from Cumberland to Alexandria as soon as six feet water is admitted the whole length at 75 cents per ton, exclusive of toll on coal and boat, boats to be loaded and unloaded.

Should the finished portion of the canal, say from Dam No. 6 to Georgetown and also to Alexandria, be in no better condition than at present, when the portion now underway is completed, boats cannot be expected to get through carrying more than 60 tons; in that case I propose to carry coal at \$1 21 per ton, exclusive of toll on coal and boat as above.

The difference may appear large, but it is based upon a correct calculation, the same number of hands and horses are employed upon a boat to carry 60 tons that are required to carry 100 tons. You must also increase the capital for boats and horses nearly 100 per cent. I have made a very exact calculation and find the difference fully at what I have stated, say 46 cents per ton.

Should the depth of water be but 5 feet instead of 6, as is now understood, I then propose to carry coal at 95 cents per ton, exclusive of toll on coal and boats as within, and boat to be loaded and unloaded in either case.

The capital required for the purchase of boats, horses, &c., to enable the transportation of 100 tons in 12 months (the quantity I propose to carry) at prices I have offered to freight it, will not justify the expenditure for a contract for only 12 months. You will therefore consider these prices for a contract for five years, the quantity to be increased, annually, if required, by notice of four months.

Very respectfully,

Your obedient servant,

THOS. G. HARRIS.

Washington City, Dec. 21, 1849.

Gen. J. M. COALE,

President Chesapeake and Ohio Canal Company.

Dear sir,—Above you have a copy of a proposition submitted to the Maryland Mining Company, which is accepted for three years, as follows: 50,000 the first year; 75,000 the second; and 100,000 tons the third year, with the increase during that time, whatever it might be.

I have also submitted the same proposition to the Frostburg and Allegany Companies, both of which have been accepted for