LOUISVILLE AND PORTLAND CANAL COMPANY.

To accompany Senate bill No. 14.

FOURTH ANNUAL REPORT

Of the President and Directors of the Louisville and Portland Canal Company.

FEBRUARY 4, 1829.—Printed by order of the House of Representatives.

In the discharge of their duty, the President and Directors of the Louisville and Portland Canal Company present to the stockholders a statement of their proceedings, and of the progress made in the work.

During the past year, it was found necessary to call for three instalments, which, with pleasure they announce, have been paid with continued punctuality.

The balance on hand on the 1st of January, 1828, $67,640 46
Amount received from stockholders the past year, 148,100 00
Making the sum of 215,740 46
The orders of the Board on the Treasurer for the past year amount to 205,336 29
Leaving a balance in the Treasury of 10,404 17

The orders of the Board were for the following objects, viz:
Amount of weekly payments made to contractors on the estimates of the Engineer, 194,280 00
Payments for services and materials not included in contracts, 458 96
Incidental expenses, office charges, printing, Engineers' salaries, Treasurer's commissions, members of the Board for services, &c. &c. 7,348 71
Iron procured for lock gates, not used, and now held for sale, 3,248 62

Contrary to the expectations entertained by the Board when they made their last annual report, the canal has not been completed, nor approached so near completion as was then anticipated. The causes of this disappointment, however, have been beyond human control. No year is within the recollection of the oldest residents of this country when the Ohio river kept up so long a time. During the Winter, there was an unusual quantity of rain, and the canal could not be said to be free from water until July; and no effective operations could be commenced in excavating the rock until the 1st of September, and it was again interrupted by the middle of October.

Early in March, it became evident to this Board that the contractors
were so embarrassed that all their exertions to extricate themselves would be unavailing, and that the amount of work done by them bore no proportion to the expenses they daily incurred. An attempt was then made by the Board to introduce a new order of things, and to inspire confidence in undertakers and all who had immediate dealings with the contractors, by paying, and pledging the faith of the company to pay, on account of the contractors, all subsequent actual expenditures on the canal.

This measure, for a short time, produced the most beneficial effects, but was soon defeated by a course of conduct on the part of the contractors which was highly disapproved by the Board, and which they considered such as rendered it an imperative duty on their part to dissolve the contract. From the wording of the contract, according to advice taken on the subject, it belonged to the Engineer to say when the contract was violated; the Board, therefore, called upon him to declare it void; this he refused to do, although, in the opinion of the Board, such circumstances were disclosed in the course of an investigation of the subject as made it his duty.

The best season of the year for operations had now arrived, and all confidence in the contractors, not only in the estimation of the Board, but with the laborers, and all who had any dealings with them, was lost; and still this Board could obtain no redress from the only source whence it was to be expected. This state of things determined the Board to take possession of the property that had been collected, and was indispensable for the future operations, and to proceed with the work the present season, on account of the contractors, by means of an agent appointed by the Board, to which the contractors readily assented, their embarrassments leaving them no alternative. Accordingly the property was placed in the hands of an agent for the use of the company, the laborers were all re-engaged by him, and the work conducted by him in the name of the company, from the 1st of July to the present time. An estimate of the actual weekly expense incurred by him was submitted to the Board, and an order drawn on the Treasurer for the amount.

In the mean time, the first Engineer employed by the Board tendered his resignation, which was readily accepted, his other engagements having prevented him from giving that attention to the work which it required.

The canal was visited in May last by a deputation of the stockholders in Philadelphia, accompanied by Canvass White, Esq. who had become interested in the company. The Board availed themselves of the advice of Mr. White, in regard to various parts of the work: he returned here again in August, and assisted in perfecting the arrangements for completing the mason work. It is with much satisfaction the Board state that he has been induced to bestow a portion of his valuable time to the superintendence of this interesting work, until its final completion.

After the resignation of Judge Bates, the Board appointed John R. Henry Engineer of the work, who had, for some months previous, acted as resident Engineer, and had exhibited capacity and much devotedness to his duties; and it is only justice to him to say, that, by his judicious arrangements, constant attention, and general ability, he has shown himself entitled to the confidence placed in him.

The difficulties of constructing the lock gates were early a subject of serious consideration with the Board. The perishable nature of the pine timber that had been procured, and its buoyancy, were objections that
were highly desirable to obviate: several models were procured of iron gates, and one was fixed on by the Board, and adopted by the Engineer then in the employment of the company. Arrangements were accordingly made to construct them of plate iron. Contracts were made for the iron, and about 50 tons were forwarded. This measure, on more mature deliberation, was abandoned by the Board, after it had received the decided disapprobation of many of the largest stockholders; and cypress timber has since been procured for the construction of the gates. That part of the iron that had been forwarded was received, and has been paid for in part, and a balance of $5,400 is still due thereon. This iron will be returned in cash without loss.

At the time the work was taken into the hands of the company, the stone masonry had been subcontracted to a company for a stipulated price, the wrought stone to be delivered to them contiguous to the work. These subcontractors complained of breaches of the contract, and, among other things, that the stone had not been delivered as specified, and refused to proceed further with their part of the work, and abandoned their contract. The season was at hand when the work must be done, and this Board had no means of coercing a compliance. This company of subcontractors were well prepared to proceed with the work, and had given entire satisfaction in its execution, so far as they had gone; they were also indebted to this company in a considerable amount, for property transferred to them by the original contractors. Under these circumstances, on the 26th of August last, the Board entered into a new independent contract with Carney, Sayre, & Co., for the construction of all the masonry on the canal, at a price somewhat advanced on that of their subcontract, with various modifications, making but a small difference in the final result: since which, no work could have proceeded more rapidly, or have been more faithfully executed.

In excavating the lock pits through the solid rock, it was found that, by uniting the face stone to the natural rock, a considerable amount of expense would be saved, which was accordingly done; and by substituting the side of the natural rock in the lower lock for artificial wall, for the distance of 120 feet, there are, in the whole, 2,500 perches of stone masonry less than was contemplated in the work, as laid down originally by the Engineer. It has also been determined to excavate the rock through the whole line of canal nearly perpendicularly, instead of excavating it with a slope, as originally contemplated; thus leaving a rock berm on each side of a breadth proportioned to the depth of the rock, whereby there will be a saving of more than 20,000 cubic yards of rock excavation.

It will be recollected that this company was incorporated in January, 1825, and that three years were allowed for the execution of the work. In December of the same year, one year more was allowed. Last year a further time was granted; which term will expire on the 18th of February next. No reasons have ever existed in the minds of the Board why the Legislature should refuse to extend the time, so long as the work should be prosecuted with good faith. On presenting a petition at the present session to the Legislature, they are happy to say no such disposition was evinced; and an act was passed giving a further time of two years from the 6th of February next; which time, in the opinion of the Board, will be amply sufficient to render the canal navigable, provided there should be the usual proportion of dry weather, and time of low water.
From a statement made to the Board by the Engineer, it appears that the lower lift lock is finished, and the gates put in. This part of the work has been considered the most difficult, being five feet below the surface of the river at low water, and the rock falling off with such an angle as to render the foundation of the wing walls very precarious. By great exertions, all these difficulties have been overcome, and that part of the work firmly fixed on the solid rock, the entrance to the canal rendered easy, and any future deposits of mud will be washed out when the water shall be let into the canal. The two upper lift locks are far advanced, and can be completed early next season; the guard lock is finished, except the gates. That there has been expended the past season, for removing the deposits made by the freshets in the canal, for repairing the banks, and constructing the lower lock gates, about § 5,000. The following table shows the present state of the work:

<table>
<thead>
<tr>
<th>Amount of work done during the years</th>
<th>1826 and 1827</th>
<th>1828</th>
<th>Remain-</th>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excavation of earth—cubic yards</td>
<td>447,391</td>
<td>109,908</td>
<td>27,961</td>
<td>585,260</td>
</tr>
<tr>
<td>Excavation of rock—cubic yards</td>
<td>17,964</td>
<td>24,940</td>
<td>103,762</td>
<td>146,666</td>
</tr>
<tr>
<td>Embankments—cubic yards</td>
<td>-</td>
<td>28,000</td>
<td>10,160</td>
<td>38,160</td>
</tr>
<tr>
<td>Mason work—perches of 16$\frac{3}{4}$ cubic feet</td>
<td>16,288</td>
<td>14,266</td>
<td>10,300</td>
<td>40,854</td>
</tr>
<tr>
<td>Slope wall or pavement, superficial yards</td>
<td>-</td>
<td>15,467</td>
<td>94,933</td>
<td>110,400</td>
</tr>
</tbody>
</table>

In addition to the above, there are five pairs of lock gates to be made, and one road bridge.

There has been expended on the work, and for contingent expenses, the amount of § 384,071 00.

To complete the work on the original plan, it is estimated that it will cost § 246,642 00.

But by proposed alterations, it is contemplated to reduce the cost of the work to considerably less than this estimate.

Although the work will cost much more than the amount contemplated in the estimates of the first Engineer, and of the contracts predicated thereon, yet it will appear from the above statement that the sum will come within the amount contemplated by the act of incorporation. The resources of the company, including the balance of cash on hand, debts due from subcontractors, materials and property received from contractors, arrearages due on stock, the tenth instalment on the shares sold, and the sale of the shares in the hands of the company, will, in the opinion of the Board, be adequate to its completion.

To their last report, the Board added a table of steamboat arrivals for the year then past, and for the two years preceding. For the purpose of enabling the stockholders to form an estimate of the importance of the commerce of the river, and its rapid increase, they now add a table of arrivals for the six years past, which will show more clearly the rate of increase which has been experienced, and, also, that there can be no doubt of a regular progressive increase for a long period hereafter.

All which is respectfully submitted.

By order of the Board of Directors.

JAMES HUGHES, President.

SIMEON S. GOODWYN, Secretary.

Office of the Louisville and Portland Canal Company,

January 5, 1829.
At a meeting of the stockholders of the Louisville and Portland Canal Company, at their office in Louisville, Ky. January 5th, 1829, the report of the President and Directors was received, and ordered to be recorded.

The following persons were then elected President and Directors for the present year:

JAMES HUGHES, President.
EDWARD SHIPPEN, CANVASS WHITE, WILLIAM FITCH,
\{ DIRECTORS \}
SIMEON S. GOODWYN, COLEMAN ROGERS, Chairman.

Extract from the minutes.

S. S. GOODWYN, Secretary.

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Abstract of arrivals at Shippingport from below, for six years.

<table>
<thead>
<tr>
<th>Years</th>
<th>Steamboats</th>
<th>Arrivals</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1823</td>
<td>42</td>
<td>98</td>
<td>19,455</td>
</tr>
<tr>
<td>1824</td>
<td>36</td>
<td>120</td>
<td>20,651</td>
</tr>
<tr>
<td>1825</td>
<td>42</td>
<td>140</td>
<td>24,969</td>
</tr>
<tr>
<td>1826</td>
<td>51</td>
<td>182</td>
<td>28,914</td>
</tr>
<tr>
<td>1827</td>
<td>62</td>
<td>277</td>
<td>48,744</td>
</tr>
<tr>
<td>1828</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1828. The account has been kept up to July 10th, to which period the increase was full 25 per cent. advance on the preceding year to the same time, and the amount of tonnage arrived may be safely put down at 60,000 tons.

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GALES & SEATON, Printers to House of Reps.