The Directors deem it unnecessary to recapitulate the embarrassments, against which they have had to struggle, since the commencement of this Work, or the difficulties with which they have had to contend, in its construction. From the unsettled state of the province, since 1837, and the unexampled depression which has existed, it was deemed neither prudent or just to the Six Nations Indians, (who hold three-fourths of the Stock,) or the private Shareholders, to call in any more than was absolutely necessary to finish the Work as far up as Bunnell's Landing, within two miles of Brantford. Since their Report of last year, the towing path above Cayuga has been nearly finished; and with very trifling additional expense, the navigation will, in a few weeks, be unobstructed to that point.

The five Locks, all situated within a distance of nine miles, remain in the best condition, although five years have elapsed since they were completed; and with the exception of the sheeting of pine plank, in the chambers, which it will be necessary to remove when decayed, no other repairs will be required, to keep them in the most perfect preservation and order, for many years.

All the Dams, except the uppermost, were originally constructed with aprons, made of round logs of about 16 feet in length, projecting about eight feet from the breast, on a level with low water; leaving a perpendicular fall of from five to six feet. The heavy body of water, occasioned by the spring and fall freshets, falling directly over the face of the dams, soon wore away the shelly rock which composes the bed of the river beneath, to a great depth, and caused a heavy re-action of the water, which impelled logs, timber, and whatever passed over, against the breast and foundation timbers, with great force-ultimately loosening the timbers, and the dams consequently settled. To obviate this defect in their original construction, it was found necessary to append substantial aprons to each. These are made of heavy piers of timber and stone, placed about 25 feet apart; on which heavy timbers are firmly secured, to receive the covering, which consists of six inch pine plank, of 16 feet in length, stretching across from the one to the other, and raised to within about a foot of the top of the dams, and decline to within two feet of the lower level-thus allowing the water to pass off, on an inclined plane, without any re-action, or chance of other injury.

The Side Curs are found to be sufficiently deep, for the purposes of the navigation. The Guard Lock at Cut No. 1, having proved highly useful for the preservation, in high water, of the work below, it is in contemplation to