THE NEW YORK HERALD.

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DOUBLE SHEET.

NEWS BY TELEGRAPH.

HIGHLY INTERESTING FROM ALBANY.

Reports of the Canal Letting Investigation Committee.

Excitement Among Legislators and Contractors, &c. &c. &c.

NEW YORK LEGISLATURE.

Senate.

ALBANY, March 15, 1852.

NEW YORK BLIND ASYLUM.

Mr. MORGAN presented the sixteenth annual report of the New York Asylum for the Blind.

NOTICES OF BILLS.

Mr. COOLEY gave notice of a bill to incorporate the Brooklyn Savings Institution.

Mr. TABOR gave notice of a bill authorizing Albany to subscribe to the stock of the Albany and Susquehanna Railroad.

U. S. DEPOSIT FUND—LIBERIAN EMIGRANTS.

Mr. TABOR offered a resolution in favor of the distribution of the fourth instalment of the United States Deposite Fund among the States; and relative to the expenditure for the transportation of free colored people to Liberia.

Assembly.

ALBANY, March 15, 1852.

METROPOLITAN COLLEGE.

Mr. TAYLOR presented the minority report against the incorporation of Metropolitan College, in New York city.

THE CANAL LETTING INVESTIGATION—REPORTS OF THE JOINT COMMITTEE.

Mr. MOSS, (whig) of Niagara, submitted the following report from the Joint Committee of Investigation on the Canal Lettings. It is signed by Senator Upham and Messrs. Bull and Moss, of the Assembly (all whigs).

To the Hon. the Speaker of the Assembly:

SIR—The undersigned, members of the Joint Select Committee of the two Houses of the Legislature, to whom was referred a communication from the Honorable the Canal Board, in the following words, to wit:—

Resolved, That the Legislature be respectfully requested to appoint a committee to examine and inquire into the action of each and every member of the Canal Board, and of the Board of Canal Commissioners, State Engineer, and Surveyor and Division Engineers, having charge of that portion of the canals where the work was to be let for the completion of the Erie Canal enlargement, the Genesee Valley and Black River Canals, and the enlargement of the locks on the Oswego Canal, in the awarding of contracts, and all their acts connected with the same, or in the discharge of the duties of their offices respectively. Also, the joint resolutions of the two Houses of the Legislature, in the following words, to wit:—

"Resolved, if the Senate concur, That the communication from the honorable the Canal Board, together with all resolutions relating to that subject be referred to a joint select committee of the House, to consist of two members of the Senate and three of the House, to examine and report whether any and what action this Legislature should take on the subject, and recommend such course, if any further action is necessary in the premises, as will insure prompt action upon the subject, and that the said joint committee be directed to report within one week from this date.

"Resolved, if the Senate concur, That the Joint Select Committee on Canal Frauds have power to send for persons and papers.

"Resolved, if the Senate concur, That a joint select committee report as speedily as possible such acts as may in their judgment be necessary to ascertain whether any and what frauds exist in the Canal lettings, and in the due execution of the Canal law."

RESPECTFULLY REPORT—

That, after the passage of the above legislative resolutions, the committee, constituted in pursuance thereof, organized by the appointment of the Honorable A. B. Conger as Chairman, and as soon as furnished with the necessary papers, proceeded to the discharge of their duties. It is obvious that, whatever might have been the character of the examination and inquiry contemplated by the Canal Board, the joint resolutions of the Legislature opened the whole subject to the investigation of the committee, and imposed upon them the duty, not only of inquiring into the official action of the several officers specified in the resolutions of the Canal Board, but also into all matters whatever connected with the canal lettings, and the due execution of the canal law, with a view to ascertain if any and what frauds existed therein; to report what action the Legislature should take upon the subject, and if any further action was necessary to recommend such a course as would ensure its being promptly taken, it will be equally apparent in view of the wide extent and scope of such an investigation—the magnitude of its subject, and the multiplicity of the details necessarily involved, that it was utterly impossible for the committee to have discharged the responsible, difficult, and many times delicate and embarrassing duties thus devolved upon them, within the space prescribed by the resolutions above set forth; deeply feeling the pressing urgency of the case, the claims of all implicated to a prompt and full investigation of the accusations and suspicions pointed against them, and, above all, the paramount importance of having, at the very earliest moment, every difficulty—whether real or imaginary—attending the immediate and unimpeded prosecution of the great work of improvement contemplated by the law in question removed in such a manner as should be most in accordance with the interest of the State, and best promote its welfare. They have, since their appointment, devoted their time and efforts faithfully, and almost exclusively, to the task before them, without being able to bring it to any speedier conclusion. The mass of testimony which the committee have submitted to the Legislature sufficiently explains the delay. It now only remains for the undersigned, as members of that committee, and in compliance with the requisitions of the joint resolutions, to report such facts as they deem established by that testimony; and also what legislative action, if any, in their judgment, is necessary in relation to the subject before them. Before doing so, however, the undersigned would take this opportunity briefly to advert to an attempt, equally frivolous and futile, made before the committee, for the purpose of impairing public confidence in the validity of the Canal law, to show that an alteration had been made in one instance in its phraseology, after its passage, and while in the hands of some one charged by law with its safe custody, a complete refutation of every pretence of th kind will be found in the testimony of Wm. H. Bogart, late clerk of the Senate, and the Hon. O. Allen, late member of the Assembly, from Erie county, which proves conclusively that the law passed both the Senate and the Assembly in precisely the form and language, word for word, in which it now appears on the statute book. It would seem that there had been a clerical error in engrossing the bill, in omitting to notice an amendment made while the bill was in the Committee of the Whole of the Senate, the bill having been read a third time from the printed copy, which was corrected by the clerk in red ink, and not being noticed by the engrossing clerk, the bill was sent to the Assembly before the error was discovered. When this was, immediately afterwards, brought to the notice of the clerk of the Senate, he promptly and properly corrected the same, thus making the bill as it was when it came from the Committee of the Whole, and as it was read a third time and passed in the Senate. In the judgment of the undersigned, this act of the clerk was not only right, but it would have been a great dereliction of duty if he had suffered the bill to have gone to and been acted upon in the Assembly in any other form than as it was actually passed in the Senate. The gentleman says that Messrs. Allen, Bogart, and Senator Upham were present when the correction was made, and perfectly cognizant of all the circumstances. It may seem somewhat remarkable that before a committee, charged with the duty of examining into the due execution of a law, an attempt should be offered or entertained to invalidate and destroy the law itself; the true explanation will be found, the undersigned apprehend, in the rabid hostility, alike unrelenting and unscrupulous, which the Canal law has been doomed to encounter throughout its inception, adoption, and execution, in order to a proper understanding of what action had taken place relating not only to the Canal letting, but also to the execution of the Canal law, under which these lettings were made. The committee visited the office of the Canal Board, and examined the records and minutes from the passage of the law down to the time of such examination, and directed copies of such records and minutes as related to either branch of their inquiry to be furnished by the Auditor, and are considered as a part of the testimony submitted, and will be found in the schedule marked A. In order to ascertain the action of each and every member of the Canal Board, as well as the letting board in the awarding of contracts, and all acts connected with the same, the committee required copies of all allotments which had been proposed by any and all members of the Canal and letting board, either for the whole, or any portion of the said work, and they have been furnished with all as they are informed, except a partial allotment proposed by the State Engineer and Surveyor, and also one proposed by Commissioner Mather. The reason assigned for not furnishing these is that they have either not been preserved, or have been mislaid. It was deemed the more important to present the proposed allotments made by members of the Canal Board while acting as such, from the fact that the letting board were ostensibly acting under a resolution of the former board, which might be supposed by some to limit the exercise of the discretion which the law had vested solely in the letting board, and also because those allotments made by members of the Canal Board who were not members of the letting board prior to the passage of the resolutions of the former board, on the 22d of December, 1851, referring the subject to the letting board, must be presumed to have been made in accordance with their views at that time; not only as to the extent of the discretion which they supposed they had the right to exercise in the award of contracts, but also as to what they considered to be the absolute requirements of the law itself. One of the allotments above referred to was an allotment of the middle division presented to the Cana Board by Mr. Commissioner Cook, which also accompanies the testimony, and is marked schedule B. Also one of the western divisions, presented by Commissioner Follett, marked schedule U, with amendments and additions proposed to one or both by other members of the board. The minutes of the Canal Board furnish an allotment proposed to the board for its adoption by Mr. Attorney General Chatfield, which was made up, as appears from the testimony at a private dwelling house in this city, by Lieutenant Governor Church, Attorney General Chatfield, Comptroller Fuller, Treasurer Hunt, and Commissioner Cook, and which, after a contest of several hours in duration, was finally defeated in the Canal Board by the determined and persevering opposition of Messrs. Follett and Mather. The committee have also procured from the office of the State Engineer and Surveyor a statement of all the bids and awards for the entire work, so arranged as to present in one view the estimate of the Engineer for any particular section for mechanical structure, the award, and to whom made, and all bids, above and below the awards. This is attached to and constitutes a part of the evidence in the case, and is distinguished as schedule D. In reference to this statement, the undersigned would observe that while through disappointed applicants, and certain portions of the public press, apparently representing them and their interests, the number of responsible bidders below the awards made, has been loudly proclaimed, and particularly and repeatedly intentional upon the public mind, a cautious if not international silence has been maintained in the same quarters as to the large number of such bidders whose propositions were below the amount of the respective awards; whereas it will be seen by an examination of the statements last referred to, that in very many instances the number of bidders above the awards far exceeds those below, while many of the former are either known or shown to be some of the most prominent, experienced, and competent contractors who have been employed upon our public works. Without referring to particular instances, the undersigned submit that a careful examination of this schedule will demonstrate conclusively that the opinion of contractors, as expressed in their proposals for work, is not to be relied upon as correct estimate of a fair remunerative price for the work in question, and that consequently the true interests of the State require a resort to some other more reliable standard, and they also respectfully submit the conclusion, which, it seems to them, must inevitably be drawn from the disclosure of that schedule, as well as from the very nature and necessity of the case, that the practice, which for years has almost uniformly prevailed, adopting the estimates of the engineers as the most approximate standard of the value of the work, is the only safe and prudent alternative. Their engineers are fully qualified, both by professional education and experience, for the exact and accurate discharge of their official duties; and the engineer department, to which they belong, is organized at a great expense through the State, for the express purpose of the performance of such services, with a direct view of thus forming a basis of action for these State officers, in whose charge the public works are placed. Civil engineers, for years past, in other States, as well as this, have been employed upon all public works, furnishing by their specifications, plans, and estimates, the standard by which contracts have been regulated and adjusted for the expenditures throughout all the public works of the country, of many millions of dollars. That the Canal Board, as a body, must have entertained similar views at one time, at all events, is apparent from their having adopted the resolutions offered by Attorney-General Chatfield, in substance, resolving that the board would not consider any proposition more than ten per cent above, or fifteen per cent below the engineers estimates. If a different doctrine was at any subsequent time professed by either the movers or supporters of that resolution, the testimony will probably show the history, as well as the cause of such sudden conversions. It is also proper for the undersigned here briefly to refer to another particular in which the action which has been had upon the subject before them, has given rise to some discussion, inasmuch as it more definitely approaches a distinct specification, than is generally to be found in the wholesale charges of fraud which have been preferred against these awards. This is the introduction of what is termed hardpan and quicksand, as a new and separate classification of excavation into the specifications and contracts. It appears from the testimony, that since the resumption of the public works, suspended by the act of 1842, no such classification was made in the estimates, specifications or contracts. Earth and rock constituted the only divisions of excavation. Engineers and others, who, by experience, were qualified to judge, differed as to which mode of specification was most productive of the public interests. On the one hand, without the classification of hardpan and quicksand, contractors would apply to the Canal Board or Legislature for extra compensation for all excavation found in the progress of their work, more expensive to remove than contemplated at the time of contracting, and the investigation of those claims would be urged on as heretofore, to the waste of time of the members of the Legislature and Canal Board; and finally, also as heretofore, to the pecuniary loss of the State. While on the other hand it was contended that the introduction of this classification affected, in some degree, the independence of the engineers and commissioners, while acting with contractors, readily disposed to make hardpan and quicksand out of any material found in their work whenever, by their contracts, they were to be paid an increased price for those articles over common earth. In addition to which is the fact that in all cases to discriminate and draw the exact line between hardpan and quicksand, and common earth, is a very difficult matter, and frequently the subject of dispute between engineers and others, that the State is often liable to pay a large amount for the supposed existence of hardpan and quicksand, which would be avoided by a different classification of only earth and rock. The undersigned have no means of which of these systems of classification would result in the greatest loss to the State, nor is it important to know, so far as this investigation is concerned, unless fraud is shown to have been necessarily consequent upon the introduction of the classification of hardpan and quicksand. The evidence does not show fraud in this transaction, nor anything from which fraud is to be inferred; on the contrary, it appears from the testimony of Mr. Seymour, the State Engineer and Surveyor, that it was a course which he approved, and which was brought forward by him, and adopted by the Canal Board, about the 10th of October last, as will appear by the minute of the Canal Board, forming a part of the evidence in this case. It appears, also, from Mr. Seymour's testimony, that the subject had been under consideration for nearly a year prior to that time. It would seem, therefore, not to have been brought forward on any sudden emergency, much less under such circumstances as would warrant any suspicion that it was connected for the present occasion, and with an improper and fraudulent intent. It is doubtless a subject upon which there may be wide and honest difference of opinion, as appears from the testimony in the case. The undersigned admit that there may be reasons to regret that this classification had not been earlier made, and prior to the estimates and prior to the estimates for the work; but such was not the case, and in the opinion of the undersigned, from anything now before them, it is impossible to say whether the cost of the work under the contracts awarded will, on this account, be ultimately increased beyond what it would have been under the former system of classification, with its usual accompaniment of extra allowances by the Canal Board, and special legislation in behalf of contractors, for material more expensive than had been anticipated, or than was indicated by test pits. And before leaving this part of the subject, the undersigned would remark that the propositions of the State Engineer, to introduce hard pan and quicksand as a separate specification into the contracts, though at first rejected by the Canal Board, was, on a subsequent day, reconsidered, and adopted, on motion of the Attorney General. The gentleman says that Messrs. Church, Chatfield, Mather, Follett, and Seymour, voted in its favor, and Messrs. Cook, Fuller, Hunt, and Morgan, against it. From these preliminary remarks upon matters connected with the awards for contracts under the Canal law, to which the public attention has been much directed, and which, in the opinion of the undersigned, it is necessary to a proper understanding of the whole case, to clear from all misconception and misrepresentation, they now turn to the circumstances under which the action of the public officers entrusted with the canal lettings has been had, and to the fact as established by the testimony in relation to the due execution of the canal law. It cannot be necessary to detail upon the extraordinary events connected with the history of that law. The unprecedented course of some of the representatives of the people to defeat it at the special election ordered in consequence, the extra session of the legislature to carry out the expressed popular will—the magnitude and importance of the improvement, and the immense amount of work requisite for its completion, all conspire to attract and concentrate the attention of the public, and especially of all who hoped, directly or indirectly, to profit by its execution upon the measures taken for its accomplishment. Accordingly, when after due notice had been given for the receipt of proposals for the entire work on the Erie, Genesee Valley, Black River, and Oswego canals, the Canal Board, on the 20th of November last, proceeded to open and examine the same; a scene was presented unparalleled in the history of the public works of the State. From all parts of the State, from other States, from all walks of life, from every profession, pursuit, and trade; from every division and subdivision of political sect there swarmed upon the capital a legion of applicants, all anxious and importunate for participation in the anticipated profits of some share in this improvement, the last for many years at least, to be obtained upon the public works of the State. The expectations of all run high; some had claims, real or imaginary, for political services; others relied upon personal friendship for success; while others, destitute of such recommendations, resorted to other and less creditable means to secure a favorable consideration. Associations, combinations, and partnerships were formed almost without number, and embracing components of every conceivable complexion, for the purpose of securing in the name of some one of them, a share in the contract. While this was going on outside, the Canal Board was busily engaged in canvassing the bids, and preparing their proposed allotments of the work. The number of bids was unprecedented, amounting in the aggregate, as the undersigned are informed, to about ten hundred millions of dollars—the number of bidders being about 3,000. The Board at once saw and felt the difficulty of awarding the work in such a manner, as to give satisfaction generally to the host of applicants—and to add to the difficulty jealousies existed in the minds of some of the members of the board itself, as to the designs of other members, whom they suspected of an intention to bestow the contracts upon their political associates. This feeling if it did not wholly originate from, was at least heightened by rumor, which charged such to be the intention of those who had effected mainly the passage of the law, and that the political majority designed to control the lettings, and award the contracts to those of the like political sentiments. It is due to the majority in that board to say, that not only no effort of that kind was attempted, but that, so far as the evidence shows, all imputation of any intention of that kind is without foundation, on the contrary, it appears to have been conceded by all, that constituted as the board was politically with such a great number of bidders from both political parties, that the work ought to be distributed as nearly equally as could well be, between the two political parties. No direct agreement or proposition to this effect is shown, but all the members of the board examined by the committee, admit a general tacit understanding of that character. The undersigned can well conceive the attempts made during the progress of the lettings to make allotments of the work, and the determined tenacity with which, when presented to the board for adoption, they were opposed by those who had not been consulted in making them up, how very necessary it was to harmonize conflicting feelings, views, and interests by some general understanding, without which, nothing could be accomplished. The law, sanctioned by all experience, had repudiated the idea of letting the work to the lowest bidder, which made united action by the board a task of increased difficulty, and rendered it still more necessary to have some general understanding between the members of the board. Men not unfrequently, in the exercise of discretionary authority, honestly differ in opinion, and, in a matter of this character, when there was so large an amount of work to be let and competed for by an unprecedented number of bidders—some few known to all the members of the board—some to only a few, and others to none of them—it is not strange that differences of opinion should exist among the members of the board, as to all the different phases of competency, responsibility, and other particulars desirable for the interest of the State to be united in a contract. It appears from the evidence that very little effort was made by any member of the board, to adopt the allotments presented separately by Messrs. Cook, Follett, Mather, and Seymour. If the latter presented any distinct allotment from those presented by others, about which there is some conflict in the testimony, no minute of the presentation of either of those appears on the minutes of the Canal Board; and no vote was had upon them. A subsequent allotment, made at the dwelling house before referred to, not by the direction or even suggestion of the board, but by the united efforts of individual members composing the majority, seems to have been made and presented with the deliberate determination to secure its adoption by the board. The character of this allotment, the manner in which it was made, and the determined effort to adopt it by the majority of the board, and particularly the Attorney General, who presented it, and the persevering resistance and final overthrow of the same, by the united efforts of only Messrs. Follett and Mather, a spread out in the minutes of the Canal Board, demonstrates in some degree, as well the difficulty of accomplishing the lettings, as the feeling entertained and the excitement existing on the subject among the different members of the board. After the defeat of the proposed allotment, the subject was the resolution of the 22d December, referred to the Canal Commissioners, State Engineer, and Surveyor, and the Division engineers having charge of that portion of the canal where the work was to be done. This was, in fact, what the Board contemplated by the law for letting the work; and a reference of this matter to it by the Canal Board, was nothing more than carrying out the provisions of the law. The work, in any event, would have to be let by this board, whatever the Canal Board might have agreed upon as to whom it should be given. So far, therefore, as regards the character, or competency, or responsibility of builders, and their ability to perform the work proposed for, within the time limited by law, and the safety or advantage of their proposition to the State, this board was not only not inferior to the Canal Board, but superior thereto. It was not a subordinate tribunal, in any sense of the word; nor was the exercise of their discretion, on the point above stated, subject to the control or revision of the Canal Board; and in the opinion of the undersigned the Canal Board could not rightfully, under the law, review in any manner the exercise of such discretion on the part of the letting board. The Canal Board were merely, by the twelfth section of the law of 1851, to direct and approve of the terms and manner of doing the work, and the Commissioners and Engineers were to contract for its completion. It is difficult to understand why the Canal Board, as such, assumed to proceed in the discharge of duties which, by the very terms of the law, in language plain and explicit, were devolved upon the Commissioners and Engineers on any other hypothesis than that of a general understanding to award the work equally between the two political parties, coupled with a desire on the part of the members of the Canal Board, in carrying out that tacit understanding, to have a voice in the selection of the successful bidders, in order to favor neither political or personal friends. The Commissioners and Engineers, as soon as the resolution of the Canal Board of the 22d December was adopted, entered upon their duties under the law, as directed by the Canal Board. In the discharge of these duties to the State they have been accused of fraud, and this committee have been directed to examine and report what facts, if any, exist to support this charge. At the time the committee commenced its labors, it was currently reported, and in some instances openly charged, that members of the letting board had a direct pecuniary interest in contracts let by them—that such interest, in some cases, was held in the name of friends for their own ultimate benefit—that in other cases commissions were received by officers awarding contracts as a consideration for awarding them to particular individuals, or in a particular direction, and that fraud was practiced in awarding the contracts in almost every conceivable way; and the attention of the committee was directed to certain individuals as witnesses, residing in different and remote parts of the State, whose testimony, it was said, would establish the fact of the existence and practice in the letting of the board, of the particular frauds alleged. The committee determined to submit these charges to the most ample and rigid investigation. This was due, alike to the honor and dignity of the State, and to the reputation of the high public officers implicated in those accusations, to the end that if guilty they should be expelled from the offices thus prostituted and disgraced; and if innocent that their innocence should be promptly and publicly proclaimed, and their character vindicated from every imputation. Accordingly, a great number of witnesses have been summoned from all parts of the State, to testify in relation to these charges, and their testimony utterly fails, in the motest degree, to establish the fact that any member of the Canal or Letting Board, is, or has been in any way, directly or indirectly, remotely or contingently, by way of commission or otherwise, interested in any contract or award which has been made, or in aiding or procuring the same to be made; and the undersigned do not hesitate to express their entire conviction, based upon the testimony aforesaid, that no such interest exists or has existed; and that there is not the slightest reason or cause for the suspicions or accusations above mentioned, with the exception of a single instance, to be found in the testimony of Mr. Goodrich, in which the contract was not awarded, and they aver that the said testimony cannot fail to produce the same conviction upon every intelligent and candid mind. This concludes the labors of the undersigned, under the concurrent resolution directing them to "report such facts as may be, in their judgment, necessary to ascertain whether any and what frauds exist in the canal lettings, and in the due execution of the canal law." It is a difficult task to ascertain frauds in the due execution of the law; and the testimony shows it to be equally difficult to discover any elsewhere. In awarding the contracts, under the resolution of the 22d December last, the letting board was governed by the same general understanding which existed during the previous action of the Canal Board, viz.: to divide the work equally between the two political parties. This is a fact, no more to be disguised here than before the Canal Board; and it is fair to presume, not only from the prior action of the Canal Board, but also from the subsequent action of individual members thereof, that such course on the part of the letting board was anticipated and expected; but while the letting board were endeavoring to carry out this understanding, they were not, as the evidence shows, unmindful of the interest of the State, for they not only have kept below the estimate of the engineers, but also considerably below the proposed allotments of the work presented to the Canal Board by Attorney General Chatfield, and which the majority of the board were, for a time, not only anxious, but determined to adopt—and which was only defeated after a protracted and exciting sitting, with five in favor and three against it, and after it had been declared by one of the members, favorable to the adoption of said allotments, that it had become a question of physical endurance. The allotments actually made, as the undersigned are informed, amount to nearly half a million of dollars less in the aggregate than the allotments proposed to the board by Mr. Chatfield; therefore, whether they acted wisely or not, or in accordance with the law or not, in departing thus from the lowest bidder in awarding contracts, they not only have the allotments proposed by a majority of the Canal Board as a precedent in this respect, and also the direct action of the Canal Board upon a point directly involving the meaning and true interpretation of the law itself for their guidance and direction, but the State has been saved half a million of dollars, which would have been lost if the allotment above referred to had been carried into effect. The contracts awarded amount to, as the undersigned understand, about $900,000 less than the estimate of the engineers,—which fact, if the latter are to be taken as a standard of the value of the work, acquits the letting board of disregarding the interests of the State in not letting the work to lower bidders. It may be true, and doubtless is, that some of the work is let above what may be a fair remunerative price, and that some of the contractors will realize considerable profits, either from doing the work themselves, or selling out for a bonus. But while this may be true in some instances, many others are, as Commissioner Follett thinks, to the amount of one-third of the work, will be found too low, and the contractors will either be compelled to abandon their work, or seek relief in the way of extra allowance; but this is no new feature in the history of canal contracts in this State. All past experience has shown it, and the future will reveal the same results. It is inevitable from the very nature of the business, and no system ever yet adopted by this State, not even that of awarding contracts to the lowest bidder, has been exempt from similar results. It is admitted by all, and testified to by all who have any knowledge on the subject, that, as a whole, the work is let at prices as low as it can be reasonably done for. It has been the policy of this State—and the undersigned sincerely hope it will ever continue to be—to pay upon all its public works a fair remunerative price for the labor performed. It never should be its policy to enrich itself at the expense of the hard earnings of its citizens. It claims to be just to all alike; and that claim is a sheer absurdity, unless it pays a fair price for labor performed solely for its benefit. In view, therefore, of this just and well recognized principle, the Canal Board and the letting board, in the opinion of the undersigned, would be perfectly justified in giving such construction to that portion of the twelfth section of the law of July 10th, 1851, which says—"Contracts shall be awarded to such parties as shall propose to perform the work on terms most safe and advantageous to the State, having due regard to the price, the ability of the parties, and the security offered, for the performance thereof, and to award contracts only to such parties as propose at prices which would fully remunerate them for labor performed, and materials furnished; holding the terms 'due regard to price,' under the settled policy of the State, as meaning nothing more than such sum as would be a fair equivalent for whatever they might do for the State." Again, the terms, "due regard to price," must be taken and considered in connection with the terms, "most safe and advantageous to the State,"—as if that price which has, according to all experience, been most safe and advantageous to the State is that which permits the contractors to go on and complete the work without loss. It seems from the testimony taken by the Committee, that the board letting these contracts entertained views of the true and practical meaning of the law, similar to that here expressed, and the undersigned are contrained to believe, from the action of the Canal Board while proposing to let the work, they entertained similar views. This belief is forced upon them to avoid the conclusion that the Canal Board not only attempted to, but put in practice, an old and palpable violation of law—a conclusion not to be assumed until every other alternative is, by the force of evidence, brought to bear upon the case. Complaints had been made that contracts had been awarded in some instances to persons who were not bidders, and to persons on the bid of others, and that there were cases where individuals had been compelled to assign some of their bids before they could get contracts upon others. Instances of this kind have been brought to light by the evidence; but however much the undersigned might desire it to be otherwise, they have yet to learn that this is a fraudulent transaction. The notice published by the direction of the Canal Board simply apprised the public that the work was to be let, and if on the coming in of the proposals they were found too high to be safe and advantageous to the State, or if for any other reason the board, in the exercise of their discretion, should not deem it proper to let the work to them, and others proposed verbally, on such terms as came within the requirements of the law, in the judgment of the board, the whole matter being within their discretion, they would be justifiable, so far as the law of the case is concerned, in awarding the contracts to the latter. The undersigned desire not to be understood as advocating as a general thing the policy of such a course, but they see nothing in the law forbidding it,—and if in awarding contracts to one man upon the bid of another or at the price bid by another, no greater sum is paid than the person whose bid is used would have been entitled to, other things being equal, it is a matter which affects only the competitors, and in which the State sustains no loss, and has no concern; and in nearly or quite all the instances of the kind brought to light in the testimony, the price at which the work was let was considerably less than the price actually bid by the person to whom, or for whose benefit it was awarded, and the person whose bid was used had other work awarded to him, so that, in fact, it amounted only to a mere general distribution of the work among the people. The undersigned are unable to perceive how fraud, or any neglect or disregard of the public interest can be imputed to men for such acts, under these circumstances. The allotments and awards on the work were finally completed on or about the 30th December last, and on that day many of the contracts were executed under the direction of the Canal Board, to enter into contracts before the first day of January last. The undersigned believe, both from the oral testimony, and the minutes of the Canal Board, that it was not contemplated by the latter that the awards or contracts made by the Commissioners and Engineers under the resolution of the Canal Board of the 22d December, should be reported to said board for its adoption and approval. The resolution itself seems to negative any supposition of the kind, for by its express terms the letting board was directed not only to make an allotment and award of the work, but actually to enter into the contracts before a specified day. This fact is very significant of the true meaning of the resolution, as well as the then intention and expectation of those who passed it. Besides, Mr. Morgan testified that the resolution was drawn with express reference to a final completion of the letting by the commissioners and engineers under it, without the necessity of any subsequent action by the Canal Board. This view of the case is made still more apparent by an attempt, on the part of one or more members of the Canal Board, to require a submission of the allotments to the Canal Board for its adoption and approval, before the contracts should be obligatory on the State, and the final rejection of the proposition. The Canal Board were not without some experience of the difficulties attending any attempt to let this work, having been engaged some weeks endeavoring to accomplish the object, but without success, and as all seemed to desire that the lettings should be completed before the first of January, they doubtless adopted the course pointed out in the resolution as the only means of accomplishing the desired object without requiring, intending, or even desiring that any report should be made to them before the contracts became executed and obligatory; and it is not absolutely certain, by any means, that they then entertained an opinion of the necessity of such an approach on their part to render the contracts valid and binding upon the State; in fact, remarks have fell from members of the Board assembled on the 31st December, when the award of contracts was read to them by Commissioner Mather, and particularly from those who now most strenuously contend for the necessity of such an approval entirely negative the supposition. It was then said that the allotment which had been read, with some exceptions, was, perhaps, as good a one as could be made by any five members of the Board, and that it was doubtful whether any five men could be found in the State who could make, under all the circumstances, a fairer or more just distribution of the work. When a suggestion was made that it might be more satisfactory to some to have the Canal Board formally approve the contracts, it was again remarked by the same member that he could not vote to approve of the allotment, but he was willing to let it pass; that the year was about closing, and with its close the Canal Board was about to change. What had been its responsible majority politically was going out of power, and all were desirous of parting in peace and with kind feelings towards each other; and they were all willing, as appeared from the evidence, to let the whole subject of the lettings pass, and to have the contracts carried out in good faith, not doubting, as the undersigned verily believe, but that the contracts were as obligatory and binding upon the State without, as with, their formal approval. In relation to the views now advanced by some, that further action as to these contracts is required on the part of the Canal Board, and that their approval is necessary to bind the State, on one hand, and on the other, their disapproval, in order to release contractors, the committee do not understand how there can be a legal obligation resting on one side under these contracts, without a corresponding one on the other; and they would further remark, that if such action was necessary, that action should have been taken on the 31st of December, when the contracts were reported to them; and their acquiescence in them, under the circumstances, and in the manner detailed in the evidence, amounts, in the opinion of the undersigned, to a virtual approval, so far, at least, as to prevent the State, for which they acted, from now taking any advantage of its own wrongs; and if the Canal Board permitted the commissioners and engineers to proceed under the resolution of the 22d December, and engage the contracts, knowing the fact, and allowed the contractors to enter into their contracts supposing them perfect, when it was necessary for the Canal Board to approve or disapprove them, and that Board neglected to take action on the subject when they had an opportunity to do so, prior to the 1st of January, the State ought not, under any consideration of the subject, to attempt, or to be allowed now to assume, the position that those contracts are invalid for that cause.

The undersigned, therefore, in view of the matters by them above stated, and of the testimony heretofore presented, respectfully but confidently submit to the Legislature the following conclusions, as clearly established by the facts and circumstances of the investigation of the committee:—

First—That whatever mistakes or errors may have been made in particular instances, yet, as a whole, the action of the letting Board in contracting for the execution of the work, under the canal law, at an aggregate amount, less by half a million than the project of the Canal Board, presented by the Attorney General, and less by nearly a million than the estimates of the engineers, is calculated to promote the interest of the State, and secure, as far as practicable, the completion of the contemplated improvement.

Second—That no fact has been ascertained showing any fraud in the lettings of the contracts awarded, or in the execution of the canal law; but, on the contrary, the uniform tenor of all the testimony taken effectually repels all suspicion of the kind.

Third—That no action is required, on the part of the Canal Board, to give further validity to the contracts, nor on the part of the Legislature, upon any matter in relation to the subjects referred to the committee, unless to compel the State officers having charge of the public works, their subordinates, and clerks, to perform the duties imposed upon them by law. With a view, therefore, to the accomplishment of the last named object, the undersigned beg to introduce, for the consideration of the Legislature, the following bill:—

An Act in Relation to the Enlargement of the Erie and Oswego Canals, and the Completion of the Black River and Genesee Valley Canals.

The people of the State of New York, represented in the Senate and Assembly, do enact, as follows:—

Section 1. The Canal Board is hereby directed and required, within ten days after the passage of this act, to examine the contracts awarded and entered into in the month of December, 1851, by the Canal Commissioners, the State Engineers, and the respective division engineers, for the completion of the enlargement of the Erie and Oswego canals, and for the completion of the Black River and Genesee Valley canals; and to file with the Auditor of the Canal Department a complete and accurate list and description of all such contracts, the execution of which will, in the judgment of the Canal Board, be safe and advantageous to the State having due regard to price, the ability of the parties, the security furnished for the performance of said contracts, and the probable claim, against the State to arise from an abandonment of the same; and immediately upon finding such list as aforesaid, it shall become the duty of the Canal Board, the Canal Commissioners, the State Engineers, and Surveyor, to take such steps as they shall deem most effectual to insure the early and vigorous execution of said contracts.

Section 2. The Canal Board is also directed and required, within ten days after the passage of this act, to report to the Legislature an accurate list and description of all contracts awarded and entered into in December, 1851, as aforesaid, if any, which the said Board shall deem it advisable for any cause, for the State to suspend or abandon, together with their reasons in favor of such abandonment or suspension, and also, at the same time, to report to the Legislature such proposals for the same work among the bids submitted to the Canal Commissioners, the State Engineer, and Surveyor, and the Division Engineers, previous to the award of contracts made by them as aforesaid, as would be most safe and advantageous for the State to accept, having due regard to price, the ability of the parties, the security offered for the performance of the same, and the probable claims against the State to arise, from an abandonment of the existing contracts.

Section 3. This act shall take effect immediately.

A. S. UPHAM,
A. H. MOSS,
H. B. BULL.

THE MINORITY REPORTS.

Senator CONGER comes to the conclusion that the lettings are illegal and fraudulent, and recommends the legislature to vacate them and order another re-letting. It could hardly have been expected that an investigation, held like the present, under circumstances of partial conflict with legislative duties, would, in the short time allotted to it, have been successful in ferreting out a hundredth part of the intrigue and corrupt bargaining touching contracts in expectancy, which were, for some weeks, the subjects of the most atrocious gambling ever known in the history of this commonwealth. From the time when the first allotment, proposed by Mr. Follett, was announced, there was a scene of crimination and recrimination. Curses, both loud and deep, rose upon the voices and deluged the thoughts of the contestants. The excited heaving masses attested the fury which the mocking of their hopes, by political gamesters, had provoked and developed. All these things were enacted in the face of day, and forced upon the apprehension of every observer, as showing the total or partial crowding out of the practical mechanic and experienced contractor by the politician. You will find contracts given to two constables and a billiard saloon keeper—to hotel keepers, one of whom (we cannot say why, however,) became associated with a political man)—to hardware merchants, tailors, dairy men and farmers. One contract was given to a minor—one to a member of the late Senate, who sent in his resignation before signing the contract, as if that act cancelled the fact of his having been a Senator. Members of the late House of Assembly are interested also in the contracts, of which, doubtless, they were the active and effectual procurers. The delivery of the contract, by the letting board was an extraordinary assumption of power, as they were only directed by the Canal Board to execute them, and that after a certain method. The awarding of contracts, in the total disregard of the instruction of the Canal Board, is wholly unjustifiable, and is unparalleled in the history of this State, which can furnish no such instance where one rank of officers have mistaken their powers and refused obedience or allegiance to the mandate or rights of another placed by the law above them, with directory and supervisory powers. Towards the conclusion, Mr. Conger remarks thus:—"On reviewing the several infractions of law which characterize the contracts, it will be perceived that, setting aside the consideration of fraud, which, if maintained would unquestionably destroy the contracts, many of the contracts are void by reason of the acts themselves infringing the provisions of the statute and the notice; that some are voidable because of acts of the letting board, as in the first point, and are not proper subjects of a curative function, because of their gross impropriety; that all the remaining contracts are voidable for two causes:—First, because they are imperfect contracts, not properly approved and sanctioned as to their awarding, execution, or delivery. It will further be manifest, that of this latter class some are voidable because of the original irregular procedure of the superior board; and finally, all the contracts, if not otherwise exceptionable, are voidable from like irregularity and oversight on the part of the same board." He would "urge upon the Legislature that, if no serious impediments be found in the way, the honor of the State demands that a most summary rebuke be administered to those who have sought to lay their unjust hands upon the treasury of the State—to those who have regarded the prosecution of a public work of great interest to the commercial and producing classes of our citizens, as the occasion for the exercise of their cupidity—to those who, coming from the legal, mercantile, and other pursuits, have thrust aside those who have hitherto made such work their proper business—(our honest, industrious and practical artisans) or forced themselves upon those to carry off or divide the fair profits of their labor. If ever an opportunity was offered of extricating the public work from ruin, as well as disgrace, now is the favorable moment. There is no danger of such action becoming the theme of party strife, for, of all those who might be rejected, there is said to be an equal number of both parties, and of those who hold the richer contracts there are only a few hundred in number."

Mr. CUSHING, of the Assembly, does not agree with his democratic friend, Senator Conger. He approves the contracts, and thinks they ought to stand, for these reasons:—"First, that there has been no fraud proved against the letting board, and no proof of any collusion between them and the contractors in the recent canal lettings. Second—The law not requiring the contracts to be given to the lowest responsible bidder, a departure from that principle in the lettings is not of itself evidence of a fraud, even though the discretion vested by the law in the State officers has been exercised unwisely, and cannot, and ought not to be taken advantage of by the State to repudiate or annul the contracts thus entered into. Third—There is not sufficient evidence of any abuse of discretion on the part of the officers making these contracts; and if there were, the officers so guilty, are alone responsible. Sound policy, if not honesty, must prevent the State from repudiating or annulling these contracts." He occupies about one column in presenting his individual views.

MOTION FOR IMPEACHMENT.

After the reports had been received, MIKE WALSH arose and offered a resolution impeaching John C. Mather and Frederick Follett, present Canal Commissioners, and also Charles Cook, late Commissioner, and Hezekiah C. Seymour, late engineer.

Affairs in Albany.

THE CANAL LETTING INVESTIG