

provisions, can be conveyed to the point in immediate danger, or requiring repair.

The works between Dam No. 5, eight miles above Williamsport, and Cacapon river, nine miles above Hancock, embracing a distance of twenty-seven and a half miles, are all under contract, (with the exception of some sections already completed) and progressing as rapidly as is practicable, under the peculiar circumstances of the times, and which, owing to the great rise that has happened in the price of labor and provisions, and the great number of extensive public works that have been put under construction throughout the country, have made it very difficult for contractors any where, to command the desired number of laborers, at any price that could be justifiably given. The contractors on this work are men of high character, much experience and great energy—of reputation equal to any in the country; and as they have offered the highest prices given for labor on public works, and taken appropriate means to attract it, we have reason to believe they have accomplished all, that could possibly be done by themselves or others. The difficulties which have beset their operations were not foreseen, and could not be provided against. When they entered into their contracts, the prices of provisions and labor were collectively about fifty per cent. less than they are now. To prevent the abandonment of the work in progress, the dispersion of the laborers employed thereon, and the necessity, after much delay, to re-let the contracts to others, at greatly augmented prices, we have deemed it wise, and found it necessary, to make some advances on their contract prices, as the only means to avert such evils, and the absolute and unavoidable ruin of our contractors.

Impressed with the importance of completing the canal to Cumberland, at the earliest day possible, we would long since have put the whole line under contract, if the means formerly at our command had been sufficient to justify that course—but we had, as heretofore fully explained to the Legislature, to limit our lettings to the sum of the resources placed at our disposal, and consequently for the time being, to confine our operations to the extension of the canal to Cacapon, and above that river, to two difficult points—a tunnel at the Paw Paw Bend, and a cut at Old Town. These two works are situated