

For the security of persons and horses travelling the tow path, permanent fences have been erected at the dangerous passes and high walls below the Great Falls. The lift locks at Edward's Ferry, for the accommodation and reception into the canal of the Virginia trade, are completed and in operation.

By the act of June, 1836, the Chesapeake and Ohio Canal Company was, on certain conditions, required to release the Baltimore and Ohio Rail Road Company from certain obligations, created by a previous law, that required said Rail Road Company to erect and keep in repair, at specified places, a close fence of boards, or other materials. In compliance with that Act, said release has been given, and arrangements mutually satisfactory to the Companies have been made; and, for the safety of persons and property using the canal, a strong fence has been constructed on the tow path next the river, to afford the best protection which, under the circumstances, could be devised.

The tow path on the pool of Dam No. 4 was under contract when the last annual report was made, and is now nearly finished, and will soon afford the requisite facility for navigating with safety that extensive sheet of water. Additional security has been given to the works at points where any weakness was indicated. These comprise the chief improvements on the line of the canal from Georgetown to Dam No. 5, the whole being in a state of good repair.

Of the 27 1-2 miles between Dam No. 5 and the Cacapon river, a large proportion of the sections and masonry is completed, and the final estimates paid. The remainder of the work is in rapid progress; and we confidently believe that this important addition will be opened for navigation in the month of May. For a full description of this work and of the plan of constructing the embankments and masonry, we again refer you to the aforesaid annual report; and will here only add that the execution of the whole is highly creditable to the skilful and talented Engineer, Mr. Charles B. Fisk, who planned, and his assistants, who superintended the work, which will compare favorably with the best works in this country or Europe.

Independent of the intrinsic difficulties of construction, other causes, not within the control of the Company, have occurred to retard the completion of this work. Of these, your Excellency was apprised by the aforementioned communication from the President of this Company, vide page 5 of printed form.

Until the recent embarrassments of the country had forced the suspension of many of the works of internal improvement, and the consequent dismissal of their laborers, our contractors found it impossible to increase their effective force, even at the high prices which they offered; but, within the last few months, a sensible change took place, not so materially affecting the price of labor as the facility of obtaining it—and the amount of work done within this period has maintained a corresponding ratio.