

spired against it. The expenses of the Canal have been reduced to the minimum, and since then an active and energetic gentleman has been placed at its head, who promises to make an earnest effort to place the Canal once more upon a paying basis. In the face of these things it would seem that the interest of all concerned can be best subserved by everyone interested in this great work of Internal Improvement giving to the new administration a hearty and cordial support. The State's claim against this Canal, in bonds, stocks and interest amounts to \$24,566,412.20.

SUSQUEHANNA AND TIDE WATER CANAL COMPANY.

This company is still in default in the payment of the interest due upon the Mortgage to the State, amounting on the 30th day of September last, to the sum of \$414,000.00.

I regret to state that the Reading Railroad Company failed to comply with the Act of 1884, chapter 160, whereby it was proposed to lease the Canal to the said Railroad Company upon its paying the interest then in arrears upon said mortgage, amounting to the sum of \$384,000.00. This failure upon the part of the Reading Railroad Company was owing to its own financial embarrassment. I have received assurances, however, that some part at least of this large and accumulating interest will be paid during the current fiscal year, and I hope that by the time the next Legislature meets the Reading Railroad Company will again be in a position to make a satisfactory settlement of the arrears of interest now due the State, as well as to provide for the payment of interest in the future, and thereby put said mortgage in the list of productive assets of the State. The State's claim against this Canal, principal and interest, amounts to \$1,414,000.00.

STATE DEBT AND ITS

Statement J. shows the condition of the State's Public Debt at the close of the past fiscal year. In the Comptroller's Report for the fiscal year 1883, the aggregate amount of the debt is put down at \$11,269,822.89,