I have requested the Attorney General to take such steps as will enforce payment of the interest due on the mortgages of the Susquehanna and Tide Water Canal Companies, but it is feared, that no recovery can be had in time to avail the Treasury during the present, or perhaps the next fiscal year.

The restoration of the law in regard to licenses to agents of Foreign Insurance Companies as it stood previous to 1876, and the enactment of a law restoring the taxation of mortgage debts either as it existed previous to the Act of 1867, Chapter 341, or as it existed previous to the passage of the Act of 1870, Chapter 394, would go far towards supplying the deficiency, and would render the increase in the rate of State levy, which would be requisite, comparatively small.

Much may be done by the General Assembly also, to curtail expenditures, by economy in expenses and by limiting the appropriations in aid of societies and corporations, to those of unquestioned merit and usefulness.

In view of the embarrassed condition of the business affairs of the people, by reason of the failure of commerce, and the general lack of profit in all practical operations, I cannot too strongly urge upon the Legislature the exercise of the strictest economy in the expenditure of the public money.

NEW TOBACCO WAREHOUSES.

The new Tobacco Warehouses, the erection of which was by the Act of 1876, Chapter 316, committed to the Governor, Comptroller, Treasurer, Attorney General and Supervisor of Warehouses, on the site of the tobacco warehouses destroyed by fire in 1875, have been completed, and are now employed for the storage and inspection of tobacco. The building is divided by a thick wall, so as to be used for two separate houses. The capacity of each of the houses is large, and the building substantial and safe. The total cost of the two houses was $56,229.78, which is considerably less than the amount appropriated.

By the Act of 1876, Chapter 333, the Comptroller was directed "to audit and settle the claims of the late clerks of to-