

by the avenue of the canal at less cost than from any other quarter, and which must therefore add greatly to its tonnage. The iron trade is again becoming active and the lumber and limestone seeking a southern market will pursue this route. But I forbear to dwell on matters that must be familiar in this connexion.

With all the aid the company could give to the individuals liable for the money raised for the above purposes, they have suffered much—without this aid the consequences might have been much more disastrous, and I trust the Legislature will see enough in what has been stated, to justify the course of the company in applying all the funds at their disposal to their relief.

Of the sum thus raised, there is yet due about \$175,000. It would be very desirable to have this debt placed in a funded form, if practicable. The state of the money market is such as to render a funding operation of easy execution, where the investment would be deemed safe. The main obstacle in the case under consideration is the prior lien of the Maryland mortgage. If this priority were waived in favor of the above claims, the great difficulty would be removed. The effect would be, instead of a demand upon the means of the company for the principal and interest, as it now exists, it would be reduced to an annual claim of interest only—and after payment of this, the surplus would be sufficient to pay a large portion of the interest accruing to the State, even if the revenue should not increase at a more rapid rate than heretofore. But with the rate of increase we have a fair right to calculate upon, it is probable in the state of things suggested, that the whole accruing interest would be paid the ensuing year. I think we may pretty confidently estimate the gross receipts of next year at about \$100,000. In that event, if the suggestion of funding were in the meantime carried into execution, the account would stand thus—

Gross receipts—	-	-	-	-	\$100,000
Expenses of all kinds	-	-	-	\$20,000	
Interest on \$175,000	-	-	-	10,500	
“ “ 1,000,000	-	-	-	50,000	
				<hr/>	80,500
					<hr/>
					\$19,500

Leaving a surplus of about \$20,000 for other purposes.

Impressed as I am with the favorable action of the plan suggested, upon the interests of all concerned, I beg leave to urge it upon your consideration.

In reply to the last clause of the order quoted above, I beg to refer to what has been said in reference to funding the debt. If the Legislature should concur in the plan suggested, I see no reason to doubt the means of the company to meet the future accruing demands of the State.

I beg leave to forward an account of receipts and expenditures of this year just closed. This shows an improvement in the receipts of the year over the last of \$5,133 72, a small increase, but of some moment, perhaps, when received in connexion with the facts that a