

between that town and Baltimore, a distance of nearly five hundred miles; nearer and more direct to the seat of the Federal Government, from either Detroit or Cleveland, by the Philadelphia line; and shorter, in point of time, by twenty four hours, than the route through New York to the same place, and, therefore, necessarily securing a very large proportion of the trade of the lakes and the travel to Washington from the North Western States, to the Baltimore and Susquehanna Rail Road. Surely then, in view of such facts, it requires no prophetic vision to discover, in advance, the attainment of all the ends which this work is destined to accomplish.

I herewith transmit the reports of the President and Managers of the Susquehanna and Tide Water Canal Companies for the years ending, severally, on the thirty-first of December, 1847, and the thirty-first of December, 1848.—The same alacrity and zeal manifested by the corporations already referred to, in the maintenance of the public faith, has, also, been exhibited by these companies in their contributions to the Treasury; and if, at any time, exact punctuality has not been observed in the payment of interest when due, that circumstance is attributable rather to unavoidable embarrassments than to an indisposition on the part of the President and Managers, to comply strictly with their engagements.

The State's investments in these works, are

For Sterling Loan as preferred creditor	\$1,000,000 00
Preferred bonds of the Company for arrears of interest	192,500 00
Arrears of interest unfunded	70,390 01
Total	\$1,262,890 01

The amount annually due upon the sterling loan and funded interest, varies with the cost of exchange and remittance; for the fiscal year ending on the thirtieth of November 1848, it was \$66,925 00, and for the year just closed \$66,550 00, making a total of \$133,475 00, while for the former year there was paid to the State \$40,000, and for the latter \$101,550, equal together to \$141,550 being an excess over the interest due for the two years of \$8,075 00. This balance has been carried to the credit of the arrears of unfunded interest, thereby reducing its amount from \$70,390 01, as above stated, to \$62,315 01. A tabular statement contained in the last annual report, shows a gradual increase of revenue within ten years from \$41,558 37, in 1840, to \$138,013 66, in 1848, a gain, in receipts, in favor of the latter year of \$96,455 29. In the same report it is remarked, "that the average increase of each year over the preceding, has been such, that at no greater rate of progress, the company must, in a few years, pay the current interest upon its debt, and may look forward to an entire extrication from its embarrassments." The President of the companies in a communication of the date of the fifteenth of October last, in reply to a letter from me, of an earlier date, says, "In estimating the resources of the State for the ensuing year, I think you may assume with certainty that the State will receive, punctually, the current interest from these companies;" and further, "whilst, therefore, I am loth to promise anything, the failure to