

Although, the operations of this Company, for the past year, must cause disappointment, nevertheless, my confidence in the ultimate success of the Work is still unshaken.

I am informed by the President of the Susquehanna and Tide Water Canal Companies that, the amount of transportation, the gross and net revenues, and other exhibits, for their fiscal year, which closed on the thirty-first of December last, will not be found to differ materially from the published Report of the year previous. The receipts for tolls, in the fiscal year ending on the thirty-first of December, 1851, amounted to \$164,445.82, being an increase of \$7,480.77 over the receipts of the year before. As I said, in my last Annual Message, the comparative statement, annually published by these Companies, shows a slow but steady advancement, from year to year, for the last twelve years. They have paid to the State the current interest for the year just closed; and, the President assures me that, there is no reason whatever to doubt that it will continue, in future, to be promptly met. He also states that, the revenue of the Companies has been applied, first, to the payment of the expenses of the Works, and then to the payment of the interest to the State, and upon the preferred debt; it not having yet reached a point, which would enable them to apply any portion of it to the payment of even the interest upon the large deferred debt of the Companies, or to Stockholders.

These Companies owe the State something upwards of fifty thousand dollars, on account of deficiencies of interest for former years, which they are now unable to pay. They desire to fund those arrears. It is advisable to permit them to do so. The President assures me that the interest on this proposed bonded debt would be promptly paid; whereas, the arrearages are now wholly unproductive. The bonds might be issued, in such a manner, as to graduate the payments on the principal; by which means, the Companies would not be oppressed, and the debt would be discharged in ample time to meet outstanding obligations of the State, as they mature.

The Baltimore and Susquehanna Rail Road Company paid to the State, during the past fiscal year, the sum of sixty thousand dollars, and, since the close of the fiscal year, the further sum of twenty-five thousand dollars. The President of the Company, in an able communication of the 15th of December last, addressed to me in reply to a call for information, after reviewing at length the general prospects of the Company, and setting forth the grounds upon which a largely increased trade may be expected, from the completion of the several Pennsylvania connections, expresses a confident hope that the Company will hereafter be able fully to meet its engagements to the State; unless the policy of a general extension of the capacity of the Road should be adopted; which could not be done without deferring, for a time, the payment of the current interest due the State.