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 bond 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 perform which though without our control, would look like a breach of faith, I can express to you the expectation honestly entertained, that we shall be able next year, besides the payment of our current interest to make a decided impression upon the arrears." The Susquehanna and Tide Water Canal Companies may, therefore I think, be confidently relied on to continue the punctual payment of the annual interest due from them to the Treasury, and in the absence of any unforeseen casualty, not only to discharge the unfunded arrears of interest but to apply a portion of their earnings toward the redemption of the debt incurred for their benefit by the State.

The two last annual reports of the Chesapeake and Ohio Canal Company are herewith transmitted. I regret to be obliged to communicate to you the unwelcome intelligence that, notwithstanding the most confident assurances given, the canal has not yet reached its destined terminus at the town of Cumberland, nor am I in possession of any reliable information as to the period of time, at which its final completion may be certainly expected. The interest of the State in this Corporation consists of Investments as unpreferred stockholder $622,000,00

Investments as preferred creditor & stockholder	6,572,666,66
Preferred claim for interest paid	3,645,943,75
Total	10,840,610,41