

ing much time and expense to remove, have occurred, effectually suspending for the present, all navigation.

The company now heavily encumbered with debt, appears to be without sufficient means, or credit, properly to prosecute the work, and its heavy losses and repeated disasters seem to have dampened the ardor and destroyed the hopes of the warmest friends of this great but most unfortunate enterprise.

Several propositions were made to the Legislature at its last session, for the disposal of the entire State's interest in this work. One was, for its transfer to the preferred stockholders, or companies representing them, on certain conditions. Another, for its sale to a Northern company, who proposed (of course) to assume all liability to the preferred stockholders, and to give the State in addition \$1,000,000 for its interest in the work. These and other propositions failed of acceptance, either because the sum named did not meet the views of a majority of that body, or because the proposals were presented too late in the session to give proper time for the consideration that its importance demanded.

In view of the present condition and prospects of this company, and of the series of disasters which has marked its career for so many years, should the offer to purchase the State's interest be renewed, and no constitutional objections to the measure be found to exist, after the precedent established in 1853, by the sale of the State's interest in the Susquehanna Rail Road Company, I do not hesitate to say that in my judgment the State would be greatly benefited by the sale of this work at an equitable valuation.

This great work has been completed mainly by the resources of the State, and the State is really more interested in the steady and uninterrupted operation of the canal, than in any revenues she may in future receive. The probability of the more efficient and successful prosecution of the work in private hands, possessing the requisite means to carry forward the enterprise, and governed by a permanent policy in relation to it, and thereby promoting the trade and business interests of an important portion of the State, are considerations to be viewed in close connection with the measure, and decided as your judgments may dictate.

### THE FINANCIAL CRISIS.

The universal prevalence of a most serious monetary revulsion, which has involved chartered institutions of our own State, in a direct breach of faith towards the people invites remark from me, and challenges decisive action on your part. I do not feel at liberty, to occupy your time and attention with an extended review of the causes which have led to such sudden and wide spread disaster as we have recently witnessed. They are, however, distinctly to be seen, and comprehended by intelligent men. A condition of life, vitiated by the utmost extravagance, has been