

sum has been invested in State stocks. After deducting the sinking fund, the debts and liabilities of the State probably amount to fifteen millions of dollars; and, with the exception of 258,855 dollars, have all been contracted for purposes of internal improvement.

The interest on the public debt is increasing every year, in proportion to the amount of stock sold. The amount payable at the Loan Office in Baltimore, in 1838, was 280,000 dollars, in 1839 it was 291,000, and in 1840 it will be 330,000 dollars. The interest payable at London cannot be ascertained, because no report has been made to the Treasurer, of the sales of our stock in foreign markets. The amount is inconsiderable at present, but it will be increased as the stock finds purchasers. The internal improvement companies are bound to pay the interest on their respective portions of the public debt, before it becomes due from the treasury. Of those that have had advances from the State, the Baltimore and Ohio Rail Road Company is the only one, which has fully complied with its engagements. The Chesapeake and Ohio Canal Company is bound "to pay annually 120,000 dollars for interest on the two million loan granted in 1834. It paid the whole interest in 1838, but only 95,000 dollars in 1839. The Treasury had a claim on the Susquehanna Rail Road Company in 1838, for interest to the amount of 64,466 dollars, and received 45,000; and in 1839, to the amount of 75,082 dollars and 50 cents, and received only 82 dollars and fifty cents. These two companies do not yet receive a sufficient revenue from their works to defray current expenses, and are obliged to depend on loans or the sale of stock, for the fulfilment of their engagements. These means having failed in 1839, in consequence of the scarcity of money, they were unable to satisfy the demands of the Treasury.

The annual revenue of the State, exclusive of interest paid by the internal improvement companies, is barely sufficient to defray the ordinary expenses of Government, which are estimated, for the ensuing year, at two hundred and fifty thousand dollars.—The whole expenditures, including the interest on the public debt, greatly exceed the annual receipts; and the deficiency in the revenue is supplied out of the special deposits. This fund, if applied to this purpose alone, will be exhausted in two or three years; and the bank stock will be the next resource for meeting the deficiency, unless some other means be provided in the mean time. Experience has proved, that the internal improvement companies cannot be relied on, for the punctual payment of their respective portions of the interest of the public debt as it becomes due from the Treasury.

The State entered by degrees into a connexion with canal and rail road companies, and still more cautiously into the plan of borrowing money for their support. At the extra session of 1836, the decisive measure was adopted of authorising the issue of bonds to the amount of eight millions of dollars, and of sending them to foreign markets for sale. At that time money was abun-