

The apparent or nominal Debt of the State as will be seen by Statement J, is \$14,899,050.63; but of this, whilst the State stands bound for the ultimate payment, should the Baltimore and Ohio Rail Road Company prove unable to make it, \$2,421,111.11 has the interest regularly provided for, and paid in London by the said Company, without any agency on the part of the State in the said payment; and the said Company regularly reimburses the State, for the interest paid on the further sum of \$848,210.00, which was originally a part of the same loan, but converted into the Currency by authority of Chapter 41 of 1847; these sums, the interest of which is thus paid by the Company, if deducted from the apparent Debt, leaves as the remaining Debt \$11,629,729.52, from which if the amount of Stocks and Cash, standing to the credit of the Sinking Fund as of September 30th, 1862, be deducted,—say, \$5,391,659.23, would leave as the actual Debt of the State upon which to pay interest at the last mentioned date \$6,238,070.29; which is further diminished by investments for the Sinking Fund, and redemptions made since the close of the Fiscal year; so that the actual Debt for which the payment is yet to be provided, will not much exceed \$6,000,000.00.

Whilst a part of the outstanding Public Debt is payable at the pleasure of the State, after the years 1865 and 1870, much the larger portion thereof is not payable until after 1885 and 1890, and then, only at the pleasure of the State.

Under the circumstances, the Sinking Fund is providing the means for the extinguishment of the Debt much faster than the Debt matures; and until the Debt matures, the Treasurer is obliged to go into the market and make purchases of Stocks at their market value, which is so high now, as to cause such investments of the increments as they accrue, to be made at prices disadvantageous to the State, and in fact, it is difficult, as I have before stated, to make such investments at all.

It would seem wise therefore, that much the larger portion of the Stocks held for the Sinking Fund at present, should be cancelled, so as to reduce its unwieldy bulk, and prevent