

public debt as reported by the Comptroller, do not exhibit a corresponding reduction. The sterling debt having been calculated at \$4.44½ to the pound its value in London, and not at \$4.84 its legal value in the United States; a difference of \$788,292.78 upon £1,992,875, the amount of the original sterling debt.

The amount of 5 per cent sterling bonds converted into currency during the past year was £50,625, and the whole amount of sterling debt now converted is equal in currency bonds to \$1,924,021. This conversion of sterling bonds, the interest upon which is payable in London, into currency bonds, with interest payable at the Treasury, which under the law of 1847, is done by the Treasurer, at the option of the holder of said bonds, will proportionately increase the figures of the debt from year to year, without increasing the State's actual liabilities. By the operation of this law, the expenses, equivalent to the cost of the exchange and commission for remitting the interest to London is saved to the State; and also the same charges upon the ultimate payment of the principal of the sterling bonds. The proportion of the sterling debt upon which interest is paid by the State, was on the 1st of January, 1857, £983,850, or \$4,372,666.66, and semi-annual interest on that amount was \$121,450.82, and on the 1st July, 1857, £980,850, or \$4,359,333.33, and semi-annual interest \$121,000, the cost of sending which interest to London was about 10 per cent of said interest. Of the amount of the public debt, to wit: \$14,919,967.39, the interest upon \$3,200,000 is paid in London directly by the Baltimore and Ohio Rail Road Company, the State bonds to that amount having been issued for the use of said company. The interest upon the remainder of the public debt, as paid by the Treasurer, amounted the past year to \$670,282.70. This interest was provided for as follows:

From the Baltimore and Ohio Rail Road Company for dividends upon stocks held by the State \$90,636; from the Washington Branch Road, for one-fifth of the passenger receipts \$76,038; from the Northern Central Railway Company \$90,000; from Susquehanna and Tide-water Canal Company \$40,559; from other stocks \$40,415.36.

The total interest provided by the Internal Improvement companies, which under the Constitution must be applied to the payment of the public debt was \$297,233. The amount of interest which remained to be provided for by the State from other sources was \$373,049.70. The amount of revenue received from direct taxation was \$233,303.02; from licenses \$252,273.31; from special taxes \$120,553.53; from other sources \$352,616.58.

The Tide-water Canal Company failed to meet its full obligations to the State; the amount paid into the Treasury by that company, being \$40,559, instead of \$67,487.50, leaving a deficiency of \$26,928.50, which has not yet been accounted for