

of the works in which it is invested, will be made to yield a adequate return, and, like the internal improvement systems of New York and Pennsylvania, ours will become a productive source of Revenue, when we shall be complete.

We herewith submit for your information such Reports as we have been furnished with in relation to the progress, present condition and future prospects of the several works of improvement patronized by the State, marked S. P. J.

Connected with the internal improvement system of the State, so far as it is to be carried out by Legislative aid, there is a subject to which we are at this time required, in a special manner, to call your attention: and that is, to the payment of the interest on the State Loans, in an equivalent to gold or silver, and not in a depreciated currency. These Loans were made when the paper currency of the Country was convertible, at pleasure, into coin, the only legal currency, at par: and the faith of the State was pledged to its creditors, for the payment of the interest in such legal currency. The suspension of specie payments has a basis well known, the effect of depreciating the paper currency, and the public creditor to whom this interest is now tendered in bank notes, if he accepts it receives a less sum than the State guarantees to pay. It has so happened that the paper currency has been but eight or ten per cent below the par of specie, and the loss to the creditor has not been intolerable: but this does not alter the principle involved, and the faith and character of the State are placed in as much jeopardy, abroad, by tendering payment of interest on its Loans in a currency ten per cent below par, as though the paper currency offered were worth but one cent in the dollar. It is believed that, upon the recent suspension of specie payments, there were but two States in the Union, having foreign Loans, which have not paid their interest in specie, or its equivalent: and one of the States is Maryland. The case was one that had not been provided for, and the Treasurer did not feel that he would have been justified to assume the responsibility of paying the interest upon the State Loans in a different currency than he received from her debtors, and paid to her other creditors. It is now, however, most respectfully suggested, that it is due to the State's hitherto high reputation — that it is essential to the maintenance of that credit, especially abroad, upon which she must rely in any attempts to make additional Loans for her works of improvement, or other purposes, that the interest on her obligations for Loans (a large portion of which is held in Europe or on European account) should be paid in specie, or its equivalent: and that this should not only extend to future payments, but should relate to those that have been made since the suspension of specie payments.