

Annual Message ed, because no report has been made to the Treasurer of the sales of our stock in foreign markets. The amount is considerable 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 The Canal Companies are bound to pay annually 1,200,000 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 4,500; 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 to fulfil 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, quarterly 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 authorizing 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 abundant, American securities were in demand and the credit of the State stood unimpaired and very little doubt was entertained, that the bonds could be disposed of according to the terms prescribed by the act of Assembly. But the following year, when the commissioners who were appointed to negotiate the proposed loan, visited Europe for that purpose, a great change had taken place on the money market, and it was found impossible to sell the bonds at the stipulated price. After this action they concluded an agreement with the Chesapeake and The Canal Company, and the Baltimore and Ohio Rail Road Company for a sale of a large portion of the bonds amounting to six millions of dollars. At the common session 1837, the Legislature refused to sanction this agreement, because it was apprehended that the companies might be compelled to sacrifice the credit of the State, but assented to a modification of it which required that none of the bonds should be transferred from the possession of the Commissioners of Loans till their equivalent in mo-