

Time, without money or the certainty of raising it, has abandoned the prudent and cautious policy which has generally characterized its proceedings.

The State subscription and loans to the Baltimore and Annapolis Rail Road Company, amount to 1,352,000 dollars besides the loan of 750,000 dollars authorized at the last session. The last loan was granted to enable the company to pay its debts and finish the road to Wrightsville, and thus form a connection with the Pennsylvania works. The Commissioner of Loans who was directed to sell the bonds issued for this purpose, has applied a small portion of them to the use of the company, and has retained the rest in his hands because they could not be sold without loss. As the company could derive but little advantage from this loan, for which it had consented to important modifications of its charter, it made an arrangement with the City of Baltimore for the loan of City Stock, to a sufficient amount to complete the road to Wrightsville, which is expected to be in operation next Spring.

The State subscribed one million of dollars to the Eastern Shore Rail Road, on the condition that other bona fide subscriptions should be made, to a sufficient amount to complete the road. No new contracts have been made since last winter, and the work has been suspended throughout the line, except a small portion of it in Somerset County. Of its debts, embarrassments and general condition a report is expected in a few days.

The Annapolis and Elkridge Rail Road Company received a subscription from the State of 300,000 dollars a part of which has been paid in money and a part in bonds, which last remain in the hands of the Treasurer. The Lord Water Canal Company received in pursuance of the act of last session a loan of a million of dollars in State bonds; which were negotiated at the United States Bank, and afterwards transmitted to England with other securities to meet the engagements of that institution. The Canal is now finished and will be opened in the Spring for the trade of the Susquehanna. It connects the Pennsylvania canals with the Chesapeake Bay and forms an important link in the chain of inland communication between the different States of the Union.

In giving a particular account of the embarrassments to which the State has been drawn, by the wild spirit of internal improvement, my object is to call the attention of the Legislature to the necessity of guarding against an increase of existing evils, and of providing if possible, for the gradual redemption of the public debt. I do not perceive how these objects can be effected without resisting the further issue and by anticipation of State Stock; reducing the public expenditures by a rigorous system of economy; and increasing the revenue by a moderate tax on real and personal estate, till it is sufficient to pay the interest and leave a small surplus to be applied to the principal of the public debt. Two hundred thousand dollars a year in addition to the present revenue, would probably be sufficient for this purpose, if raised at once; but the longer the taxes are postponed the heavier they must be at last. The opinion may be held by some few, that this debt is not binding on the State; and by others that if bonded it will never be paid, because the people will not consent to be taxed. But it has been contracted and confirmed by successive Legislatures; sanctioned by