

struction of bath-rooms, the slating of the entire institution, rendered necessary as a security against fire, together with costly improvements not necessary to mention in detail, have caused the contraction of a debt to mechanics who did the work considerably beyond the means which the State has placed in the possession of the Board.

The grant of which they availed themselves of \$30,000 which was passed at December session 1838, was not fully realized, in consequence of the heavy discount they were obliged to pay, in order to procure the necessary amount of money to enable them to go to work at once and build the necessary accommodations for all who might require admission. The grant of \$30,000 was payable in six years, and the discount actually paid thereon was \$4,958 32, and the total amount of expenditures is \$40,970 28; leaving a deficit of \$15,928 60, there remaining in Bank to the credit of the President and Visitors \$98 22.

The excess of the debt incurred, was in consequence of the heavy discount, which was paid in order to begin the work at once and finish it as promptly as circumstances would allow, and the additional heavy expenditures found requisite in extensive repairs of the old buildings, not originally contemplated. The new wing was constructed within the estimate originally made by the superintendent of construction.

Your committee are of opinion that the President and Board of Visitors, acting as the agents of the State, and with no other motive than the public interest, did proceed with the strictest regard to economy consistent with the objects to be attained, and the money expended, and the debt now due, was contracted unavoidably in completion of the work in which they were engaged. It is almost impossible to estimate with accuracy, the cost of such extensive improvements, and when once in a state of progression, they cannot be arrested without abandoning the work to exposure and decay. By request of your committee, the creditors of the Maryland Hospital held a meeting with a view to submit the most favorable proposition in their power to make to the State for the liquidation of their claims, and they have signed a written agreement, which is annexed to this Report, consenting to take 6 per cent Maryland State Bonds, in payment of their several claims. The Bonds are to be received by them at par, or if placed in the hands of the President and Board of Visitors the proceeds thereof, are to be applied to the extinguishment of the creditors claims, they allowing the discount if any in such case.

This assent on their part, was considered by your committee, in the present embarrassed state of the Treasury, as a mode preferable to be adopted than any other which they could suggest, as it enables the State by the payment of the interest on the bonds, to