rent interest, due the State, in the year just ended, has been discharged. They have paid, upon account of interest, in 1850, the sum of $67,000; and, in 1851, $67,500. The Report of May 1851 gives the assurance that, the Canal is in excellent condition. The "comparative statement of receipts for tolls, since the Canals were opened," rendered as of the 31st of December, 1850, to be found in the Report referred to, shows a gradual and steady augmentation of revenue. The very small increase, for the year 1850, is accounted for, by satisfactory reasons, given in the report. This Corporation, like the Baltimore and Ohio, and the Baltimore and Susquehanna Rail Road Companies, gives encouraging hopes for the future; at least, in so far as, the financial interests of Maryland are concerned. And, it is in that connection, especially, (as you will hereafter observe) that, I have desired to treat of their prospects, in this communication. They bear two relations to the State; one general, and the other special. Maryland, of course, feels deeply interested in the development of her wealth, and the increase of her population; to both of which results, her Internal Improvements so largely contribute. But it more immediately concern her, now, that these Companies may become, or continue, able to pay their respective proportions of the interest on the public debt, which was incurred, for the construction of their several Works. There is yet another hope. One, fondly cherished by the people. It is, that, the day may soon come, when the State shall derive an income of profit, from her investments, as Stock holder, in these Works; and when a munificent System of free education shall be established, in obedience to the voice of the Age.

What I have said concerning the Public Works of the State, is intended as a mere index to that more minute examination, which it will be your duty to give to their present condition, and their prospects for the future. Without a thorough understanding of the relation, which these enterprises bear to the financial policy of Maryland, it will be impossible for you to estimate, with any degree of certainty, the extent to which that policy may be safely modified hereafter. I shall, now, proceed to consider the financial operations of the past year; and, to recommend such measures as I believe the monetary condition of the State will fully justify. Before doing so, however, I must ask your indulgence, whilst I give a rapid preliminary sketch of the history of the Treasury, for the last ten years. I shall deal only in general facts.

We gather from the Executive message to the General Assembly, at the December session, 1842, that the amount of the public debt, the interest of which had to be provided for, was ten Millions of dollars - that, the annually accruing interest thereon was six hundred thousand dollars - that, in making provision for this enormous charge, no calculation could be based upon any revenue, but that derived from the direct taxes; the Treasurer being satisfied that, the income from all other sources would not exceed the amount required to defray the ordinary expenses of the Government - that, of the whole amount of direct taxes, for the years 1841, '42, levied under the Acts of April and December, 1841, and payable, by instalments, by the first of March, 1843, the Treasury had received only the sum of $262,994.52; leaving an uncollected balance of $622,386 - that, if the whole of this last named amount (when collected,) should be appropriated to the payment of the interest then in arrear, there would still be left the sum of $237,270 of arrearages of interest, chargeable on the assessment of the succeeding fiscal year and, that, adding the anticipated deficit of $600,000, for 1843, to the arrears of interest just stated, and deducting $491,877, the revenue ex-