

BY THE HOUSE OF DELEGATES,

JANUARY 3rd, 1878.

Which was read and appropriately referred.

By order,

MILTON Y. KIDD,
Chief Clerk.

MESSAGE

INDIANA STATE LIBRARY

OF

JOHN LEE CARROLL,

GOVERNOR OF MARYLAND,

TO THE

General Assembly,

At its Regular Session, January, 1878.

ANNAPOLIS:
Geo. Colton, Printer to the General Assembly.

will yield to the State a minimum revenue of about \$100,000 per year.

The Baltimore and Ohio Railroad Company has expressed informally, a desire to adjust all its differences with the State, and it would be a source of gratification to me if such a result could be reached at this session of the Legislature.

The elements to be considered are few and simple.

There is no ground for assuming that the General Assembly, when it granted the original charter of this company, intended to do more than exempt from taxation so much of its capital stock as was issued for the completion and equipment of its railroad from Baltimore to the Ohio river.

The Baltimore and Ohio Railroad was completed to the Ohio river in 1853. One year after it had been in operation to this terminus, the company estimated the total cost of its road, second track, rolling power and real estate, comprising its whole necessary property as a railroad in active operation, to that terminal point at \$22,218,849.29.

On September 30th, 1876, the company estimated its assets as worth \$87,910,682.73.

In this aggregate there is an apparent amount, therefore, of \$65,691,833.44 in value of property belonging to the company, in excess of the cost of the road as completed and equipped in 1853. The Legislature cannot reasonably be supposed to have intended, that the assets in excess of capital required to build and equip the railroad from Baltimore to the Ohio river, should be exempted from all taxation by this State.

The claim, made by the company, that all its property is exempt from taxation, has unquestionably excited great discontent. It may be true, that the Company en-

tered into an improvident contract, when it accepted the obligation to pay to the State one-fifth of the whole amount which it might receive for the transportation of passengers on its Washington Branch Road, without stipulating that such contract should be subject to modification upon any defined contingencies. It is certainly equally true, that if the contract made by the State with the Railroad Company, does by its letter, confer upon the company the great and perpetual immunity from taxation which it claims, then that contract was yet more improvident on the part of the State.

As the case stands, the money payable to the State under the contract relating to the Washington Branch Railroad, is the only direct equivalent which the State receives, for the immunity from taxation, which the company claims to enjoy.

In my judgment the rights secured to the State by that contract, ought not to be modified or abandoned, until by mutual consent, the original contract granting to the company immunity from taxation shall be so reformed, as to remove all doubts as to its real meaning, and to impose upon the company the obligation to contribute its proportion of public taxes for the support of the government of this State.

If such arrangement can be reached by mutual consent, it would seem to me that other questions now in dispute between the State and the Baltimore and Ohio Railroad Company, might be easily adjusted.

THE RAILROAD STRIKE.

Although the history of the great railroad strike, which occurred in July last, is well-known throughout the State. I deem it my duty to present to the Legislature, a statement of the facts which imposed upon me the obligation of calling into service for thirty days the militia of the

State, and of asking from the Federal Government the assistance of the United States troops to enable me to execute the laws and to protect the property of our citizens.

In June last the Directors of the Baltimore and Ohio Railroad Company concluded to make a general reduction of ten per cent. in the wages of their employees, and it was publicly announced that this resolution would go into effect on the 16th of July, 1877. For some days previous to the 16th of July, there were mutterings of discontent among the conductors, brakemen and firemen of the freight trains at the proposed action of the company, but on that day, evidently by a preconcerted arrangement, the employees who conducted the freight trains refused to work, not only in Baltimore, but throughout the entire line of the road. The result of this action was the total suspension of the vast trade of the Baltimore and Ohio Railroad, with all the inconveniences and losses which would naturally follow. The company immediately endeavored to procure other men to run the trains, but it was soon found that the strikers were determined not to allow them to move, and in defiance of the law, they dragged the crews from the engines and cars, extinguished the fires and openly avowed their determination to resist by force the passage of freight trains, until their demand for rescinding the resolution reducing their wages had been complied with.

An enormous number of freight cars had thus accumulated at Martinsburg in West Virginia, and the Governor of that State finding the civil and State authorities unable to afford relief, applied to the President of the United States for troops, which were at once forwarded, and the trains were set in motion from that point to Baltimore and westward to Cumberland.

In the meantime the same spirit of opposition had extended to Cumberland, and on the arrival of the freight trains in that city they were surrounded by large and ex-

cited crowds, who by intimidation and threats made it evident that serious results would follow any attempt to move them westward.

This condition of things produced the most intense excitement among all classes, and aroused great numbers of unemployed and evil-disposed persons to encourage a popular outbreak by affording active sympathy with the violence of the strikers. To allow it to continue was to acknowledge the subversion of all government, and to invite the destruction of life and property; and the first duty that was imposed upon the authorities was to lose no time in its suppression. I therefore took immediate steps to assert the power of the law by calling out the military of the State to assist the civil authorities in its execution. The Fifth Regiment Maryland National Guard was ordered to proceed to Cumberland to protect the Railroad Company in the exercise of its legitimate business, and the Sixth Regiment to remain on duty at their armory.

On arriving at Camden Station, where the train awaited them for transportation to Cumberland, the Fifth Regiment was assailed by a furious mob, assaulted with stones, pistol shots, and dangerous missiles, the engine disabled, and such threats of violence used that no one could be found willing to run the train.

The opposing crowd who thus defied the law, were variously estimated at several thousand, while the regiment numbered at most 250 men.

In the meantime the commanding general had ordered three companies of the Sixth Regiment, to join his command at Camden Station, so that he might have a more effective force. A dense crowd surrounded the armory of the Sixth Regiment and at the moment the three companies emerged from the door they were so fiercely assailed upon the stairway and in the street, that they

felt called upon to protect themselves, and fired several volleys of musketry upon the crowd.

Unhappily a number of citizens were killed upon this march to Camden Station, and the three companies arrived there amidst the greatest excitement.

As soon as the news became generally circulated of the firing of the Sixth Regiment and of its effect, the mob at the station having largely increased in numbers, became extremely turbulent and apparently eager for the destruction of the property of the Railroad Company. Engines were destroyed, cars burned, and finally the depot itself was set on fire, and the firemen called to extinguish the flames, were driven from their posts.

At this critical moment the Fifth Regiment, numbering two hundred and fifty men, and the police force, were the only protection at the command of the authorities, for the vast interest of the City of Baltimore, against fire and every species of violence that may be perpetrated by an irresponsible mob.

Fortunately for that section of the city, the firemen were reinstated in their posts and the fire was extinguished without serious damage. No other attempt to destroy the buildings was made, but great numbers of people maintained their positions around the depot throughout the entire night.

Deeply feeling the weight of responsibility that was thrown thus suddenly upon me, I knew not what the next day would bring forth, but I did know that the slender force at my command was incompetent to protect the city, or to carry a sense of security to those who had a right to be secured, and who looked to the authorities for protection.

Acting, therefore, with full sense of my obligations to the people, I telegraphed the President that the forces at my command were inadequate to suppress domestic violence,

and requested the aid of a portion of the United States troops. A prompt and favorable response was at once sent to me and troops were forwarded to Cumberland and Baltimore.

In a very few days the blockade of the freight trains, which was complete, told heavily against the city, and hundreds of people whose daily occupation depended upon the business of the road, were thrown out of employment.

Supplies of all kinds were thus entirely cut off, and the threatened suffering was such that it became the imperative duty of the authorities to see that traffic should be at once restored.

A proclamation was therefore issued, warning all persons not to interfere at their peril, and a military guard being placed on the trains, they were ordered to move from Baltimore and Cumberland at the same moment.

Fortunately no resistance was offered, and in a very few days the regular traffic was uninterrupted. The defenseless condition of the city and the large and threatening character of the mob, made it incumbent upon me to provide against another outbreak; and there can be no question that the condition of affairs fully justified me in calling into service a sufficient force to protect the city in case of the removal of the federal troops. The reasons for this action were made more apparent by the alarming rapidity with which the disorders extended from State to State, threatening at one time almost a national insurrection. The terrible loss of life and the immense and reckless destruction of property that occurred at Pittsburg* and other points throughout the country, plainly showed what ruin could be accomplished by an uncontrolled mob, and carried conviction to the minds of all that our only security was an armed force, sufficient to maintain the law, and to punish the offenders.

*The value of the property destroyed by the mob at Pittsburg, is stated by the highest authority to be four millions of dollars.

I therefore called into service for thirty days or so long as the emergency might last, two regiments of infantry and one battery of artillery, which were fully equipped and disciplined within a very short time from the date of the call.

The labor complications on the Baltimore and Ohio Railroad had extended also to the Chesapeake and Ohio Canal, and for some time previous to the actual outbreak, the boatmen on the Canal had struck for higher rates of pay, had tied up their boats to the banks of the Canal, and had assumed so threatening an attitude against any one who might wish to use that highway that the trade by that route became entirely suspended.

This defiance of law was a scandal to the State, and as the local authorities acknowledged that they were unable to arrest the offenders, it devolved upon the Executive to secure to every citizen the right to use this business channel for purposes of trade.

One of the newly-organized regiments, with a detachment of United States troops, was ordered to Hancock, and guards were stationed along the line of the work, so that every citizen could be protected in the exercise of his business.

It turned out very happily, that there was no collision, and soon after a compromise was effected in reference to the rates, and the trade of the canal was resumed.

Tranquillity having been completely restored, the newly organized regiments, with the battery of artillery, were paid off and mustered out of service, and the regular State troops relieved from active duty.

In compliance with my request, the United States troops were immediately withdrawn from our borders, and the peace of the State has not since been disturbed.

The correspondence held with the federal authorities upon the subject, will be found appended to this message.

When we consider the gravity of the situation, the intense excitement and alarm that prevailed, the animosities that were aroused, and the inadequate preparations for such an emergency, we cannot but feel that our State and City have narrowly escaped a great disaster.

Nothing restrained the license of the mob, but a display of sufficient force, and the cool and determined attitude of the police authorities of Baltimore City. The officers and men composing that organization, are deserving of the highest praise, and their conduct will long be gratefully remembered.

To Brig. Gen. Herbert, and the officers of his staff, we are indebted for most efficient service, and the Fifth Regiment, Maryland National Guards, fully sustained the high reputation it has gained for discipline and courage.

It is not necessary for me to enter upon any discussion of the causes of this violent disturbance. Undoubtedly the extraordinary depression which has existed for the past four years in all branches of business, compelled the great railway lines to make reductions in their expenditures, and thus the numbers of unemployed have been constantly added to.

The want and suffering produced by such a condition of the working classes is always an evil greatly to be deplored, but one, unfortunately, that cannot be reached by immediate legislation. The great and only remedy for unemployed labor, is the revival of business, and the encouragement of a judicious political system by which it will be brought about. The policy of the present national administration towards the Southern States, has undoubtedly been of such a character as to inspire confidence and revive prosperity, and a like wisdom brought to bear upon the financial question, would bring forth capital, renew enterprise, and give employment to the dormant industry of the country.

No political platforms can be of any use to the working man, or furnish him with work. In a free country like ours, the relations of capital and labor must always adjust themselves, and are regulated by conditions which politicians cannot control. The surest road to prosperity for all classes is through a just and economical administration of the State Government, and an honest disposition of its revenues.

I wish to call the attention of your Honorable Body, to the importance of making early provision for the loans negotiated by me, on the credit of the State, for the suppression of these riots.

I believed that large sums of money would be saved to the State, if the purchases were made for cash, and with this view I borrowed from Messrs. Alexander Brown & Son \$20,000, and \$65,000 from the Farmers and Merchants Band of Baltimore, at six per cent. interest, making a total of \$85,000. With this money we equipped and paid off the troops, purchased the stores, and I am sure that the economy and satisfaction to all was far greater than if a system of credit had been pursued, as bills do not grow smaller when they remain unpaid.

In this connection it gives me great pleasure to say that we are largely indebted to Col. N. S. Hill, of my Staff, who acted, by my direction, as Assistant Commissary, Quartermaster, and Paymaster General. Under his efficient management, the troops were thoroughly and regularly supplied, at a cost less than that of the United States Army, and the same system of economy was carried into the contracts for all the supplies that were needed.

My purpose was that there should be no claims before the Legislature on account of the expenditure for suppressing these riots, which were not included in the sum of \$85,000 above referred to. This purpose I have accomplished, and I now submit the following statement of the

disbursements from the accounts of the Adjutant and Commissary General :

DISBURSED BY THE COMMISSARY GENERAL.

Pay of Troops.....	\$38,413 75
Quartermaster Stores.....	10,603 36
Subsistance.....	3,953 10
Contingencies.....	3,621 35
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	\$56,591 56
Less the proceeds of Sales, Horses, &c.....	4,575 39
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Total.....\$59,016 17

DISBURSED BY THE ADJUTANT GENERAL.

Ordnance.....	\$30,588 50
Quartermaster Stores.....	7,724 85
Subsistance.....	2,617 15
Medical Stores.....	679 50
Printing.....	448 17
Transportation.....	299 06
Contingencies.....	626 60
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Amount Disbursed.....	\$85,000 00

It will be noticed in the above statement that the ordnance stores, which are all in possession of the State, amounted to \$20,588.50, showing the amount of money actually expended to be \$64,411.50. From this should also be deducted the value of the quartermaster's stores on hand, a large portion of which can be used for the equipment of new regiments. The uniforms of the men enlisted for thirty days, were of such light material, that they were entirely without value at the end of that time.

It will be found on examination that the item of contingencies in the above account, contains expenditures for hire of tents, transportation, commutation of rations, &c., &c.

I most respectfully ask that a special committee from your Honorable Body be appointed, at an early day, to examine most carefully the vouchers and detail of this expenditure, and to report fully upon it. Every facility will be afforded them by the Commissary and Adjutant General.

MILITIA.

The report of the Adjutant General shows that at the present time the Fifth Regiment National Guards thorough-