

R E P O R T .

The select committee appointed by this House, to take into consideration the proposition to sell out all the unpreferred stock of the State of Maryland, held in the Baltimore and Ohio Rail Road Co., beg leave to make the following

R E P O R T :

The State of Maryland subscribed \$500,000 to the building of the Baltimore and Ohio Rail Road in the year 1827, and if the State had received 6 per cent annually upon that sum, she would have received into her treasury, for disbursement, the sum of \$740,000. But what has she really received? \$182,000 in dividend stock of the company, which is now worth 54 cents in the dollar, and on the decline. Therefore, if the State was compelled to sell the dividend stock at the present market price, she would realize \$98,280, making a clear loss of \$641,720 on a loan of \$500,000 for 28 years. Would any sane man, much less a financier, recommend the State of Maryland to continue a partner to a contract at such ruinous rates? We think not. Your committee has introduced a bill which they believe will enable the State to dissolve her connexion with said company, not only upon reasonable, but profitable terms. The bill contains the following provisions, to wit: That the treasurer of the State be, and he is hereby authorized to offer at public sale, at the exchange, in the city of Baltimore, on — day of May 1856, after duly advertising the same in the several newspapers in said city, all the unpreferred stock of the State in said Rail Road, which embraces the \$500,000 subscribed by the State to the Baltimore and Ohio Rail Road, in the year 1827, together with the \$182,000 in dividend bonds, which the State has received, from time to time, as interest upon said subscription, making a total of \$682,000 of unpreferred stock; and then and there sell, to the highest bidder for cash, or its equivalent, at a minimum price of seventy-five cents in the dollar, making a total of \$511,000 that would be brought into the State Treasury for disbursement. But your committee have reasons to believe that the stock would bring par value under the inducements held out to the private stock-holders in the bill, and if our expectations should be realized, the sum of \$682,000 would be placed into the Treasury. Therefore it is for the House to fix the minimum price. We say give us the bill we will find the purchasers. Now if the State can sell the \$682,000 of stock for 75 per cent she will realize \$143,220 more than the stock will bring in the market;