

not devoted to public school purposes. But I am totally unwilling to part either directly or indirectly with the State's interest in the Chesapeake and Ohio Canal Company, or the Baltimore and Ohio Railroad Company, either the main stem or the Washington branch.

The first question which meets us upon the very threshold of this examination is: What necessity is there for us to sell any of these stocks? Where is the occasion of it? The legislature of 1842, chapter 301, passed an act of assembly entitled "An act to sell the State's interest in the internal improvement companies, and to pay the debts of the State. The preamble says:

"Whereas, In the present embarrassed condition of the finances of the State, and the great depression of business of all kinds, the public interest requires that the debt of the State should be paid off at the earliest possible day, that the people may be relieved from taxation," &c.

And then the act goes to provide that the treasurer of the western shore should be authorized and directed to advertise and receive proposals for the sale of the State's interest in these several works: the Chesapeake and Ohio Canal, the Baltimore and Ohio Railroad, the Washington Branch Railroad, the Tide Water Canal and the Susquehanna Railroad; and he is "authorized and directed to sell and dispose of the whole interest of the State in the Chesapeake and Ohio Canal Company, to any person or persons, and for a sum not less than five millions of dollars, payable in bonds or certificates of debts of the State, and bearing interest of not less than five per cent., and upon delivery of said bonds to him to be cancelled, he shall execute to the purchaser or purchasers, a conveyance or transfer of all the interest of the State in the said Chesapeake and Ohio Canal Company," under certain conditions mentioned in this act of assembly. Whether this act of assembly is still in force or not, I know not; for I have not taken the trouble to examine the legislation down to the present time. But it shows one thing, that in 1842 the only thing that induced the State of Maryland to pass this act of assembly was to relieve itself from embarrassment, and to pay off the public debt, so as not to tax the people to pay it off.

In what condition do you find the people of the State of Maryland at present, and why should we go to work and sell off these stocks at this time? In the report of the comptroller for 1863, submitted to the legislature in 1864, in speaking of the public debt, he says, on page 11:

"The sinking fund, by the investments made for its benefit, and the cash standing to its credit at this date, amounts very nearly to the sum of six millions of dollars, and is equal to, or exceeds the actual debt of the State, without it. The accumulations occur

faster than the treasurer is able to promptly invest, owing to the scarcity of stocks in the market; wherefore, a very considerable loss of interest to this fund is continually sustained; and this difficulty will increase rather than diminish with time, and hold the stocks at such high prices as to cause them to be purchased at extravagant rates.

"The present large volume of this fund, if continued, would so increase as to require the purchase of the whole public debt, long before it matures.

"Although about \$800,000 of this debt may be redeemed after January 1, 1865, and other portions of the debt may be redeemed after 1870, a large part of the debt does not mature until 1890. And none of it need be redeemed at maturity, unless it be the pleasure of the State to do so. But the debt that might be redeemed in 1865, is payable in London, and at the present and prospective high rate of exchange it would probably, within any short period of time, be redeemed at a ruinous rate to the State, and such as is not likely to be incurred, when the State is not engaged in its faith to make the sacrifice.

"From these considerations, it would be advisable for the interest of the State and the further security of the treasury in the event of the repeal of the taxes named, that \$4,000,000 of the fund be cancelled, which would relieve the treasury of the necessity of longer providing about \$200,000 for the payment of the interest annually on the part so cancelled, and make the demands on the treasury so much the less; whilst the remainder of the fund amounting to about two millions, would be ample for the increased facilities for the investment of its decreased increments, and the probability of being able to employ them at rates more beneficial to the treasury to provide for the extinguishment of the whole debt, as soon as the debt becomes due, or, as soon at least, as the interest of the State is likely to make such extinguishment desirable."

So that we find by the report of the comptroller of the treasury that we have actually more money in the treasury now than we know what to do with. We cannot even invest the interest upon the sinking fund to the advantage of the State. The State of Maryland is bound to pay in London part of the public debt, including which first becomes due. We are asked to sell certain stocks of the Baltimore and Ohio Railroad, and of the Chesapeake and Ohio Canal, to pay a debt, portions of which do not mature until 1890, and for which we are bound to buy up gold to pay the exchange upon London, to keep up the credit of the State. Yet it is a notorious fact shown by the statement, shown by the same comptroller's report in table 5, that we receive from these works the following amounts: