

attempt is made to offer them in the market. It has always seemed to me of doubtful expediency, in the legislation of a State, to permit any interference, so far as the power of the State extends, with the established rate of interest agreed upon with the public creditor. The State Bonds heretofore authorized, purporting to yield on their face an annual interest of six per cent., will be found under existing laws and exactions to fall greatly below that standard; and as a consequence any reduction in the marketable value of the State securities, from this liability to taxation, must operate, in any future negotiation, as a direct drawback upon the Treasury. The exemption of these Bonds will be attended with a large saving to the State. Coupled with the modification above suggested, I would further recommend the sale of the stock held by the State in her incorporated banking institutions, which so far as at present represented by the Public School or Sinking Fund, could be changed to the Bounty Bonds proposed to be negotiated, reducing to that extent the amount necessary to be thrown upon the market.

The desire to meet the indebtedness growing out of the Bounty Act, by the non-user of the proposed issue, and the substitution of accruing revenue, ought not to be suffered to limit of the ability of the Treasury to contribute to objects of current interest by trammelling the only available means at the disposal of the Legislature. The floating obligations incurred by the Treasurer should be provided for by a sale of the Bonds, authorized under the Bounty Act, to the extent that may be required, at such convenient time after their exemption from taxation as may be deemed most advantageous. I have every reason to believe that the arrangement indicated by me, will enable the Treasurer to retire the obligations incurred in the payment of bounties, on terms that will not interfere with the present high credit of the State.

Without an effort in this direction, to provide at maturity for temporary loans to a large amount advanced by the banks of the City of Baltimore and elsewhere, with the assurance that the State would be forthcoming with the necessary means without a further extension of time, it would be difficult to retire obligations maturing in the next sixty days, without an unnecessary sacrifice of the State credit. As this is a measure of pressing necessity, I would ask the action of the Legislature with as little delay as practicable.

RE-ASSESSMENT OF PROPERTY.

It would be impossible, under the Assessment Act of May 29, 1852, providing for the general valuation of property in this State, to form any just estimate of the ability of the Treasury to meet probable or extraordinary demands, likely to arise in the progress of our affairs, or to adopt any fixed