

storage of tobacco, the funds used in the erection of the present warehouses have been raised by the charges on the tobacco inspected, and stored in those warehouses, and consequently those warehouses and the ground upon which they have been built, rightfully belong to the planters who have paid for them. The State in fact has never claimed any right other than that as a trustee for her citizens whose money has been used for this purpose. Senators are aware that a separate account has always been kept in the Treasury, showing the payments and disbursements of this tobacco fund, and all payments made by the State for the pay of inspectors, the building and repair of the warehouses, &c. &c., have been charged to this tobacco fund, and the receipts by the State for inspections storage, &c., have been credited to the same fund, and the Comptroller's report for each year shows the relative indebtedness of the State to the fund, or of the tobacco fund to the State. The last report of the Comptroller will show that for the past year, the gross receipts from the inspection and storage of tobacco was \$118,331,34, and the profits on the same account was \$87,376,22, making the nett earning \$30,955,12. Senators are aware that the Constitution of the United States prohibits the imposition of export duties by the States, although they could pass inspection laws so far only as was necessary to defray the expense of inspection, and hence the State has always conceded that any surplus of this tobacco fund did not belong to the Treasury, subject to be used for present State purposes; but in fact that it belonged to the tobacco planters.

Your committee submit, therefore, that the State is the mere trustee for this fund, and bound to use it in such manner as will best secure the interest of those to whom the fund belongs. The single question, therefore, to be considered is, whether the proposed sale of the present warehouses, and the erection of others on deep water, would benefit the tobacco interest! Not one cent of the money of the State is authorized by the bill to be used, and the proposed improvements under the provisions of the bill cannot be effected unless the property so held by the State in trust is found adequate to buy the lots on deep water, and erect the buildings and all other improvements contemplated by the bill. The sole question then is, will the proposed change of location of these warehouses benefit the tobacco grower?

Your committee are advised that great loss is now sustained by the cost of drayage so far from the points of delivery to the warehouses as now located, and an equal or greater expense in similar charges from the warehouses to the points of shipment. By the proposed bill these charges will be obviated, as the bill provides that the warehouses are to be located on water of not less than twenty-two feet, capable of float-