

is ready to transport passengers. This, though doing justice between the *roads*, would be an act of great injustice to the property holders of the State, who must provide for the deficiency consequent on the loss of this very important branch of revenue. I respectfully urge that the taxation of both Companies is equally as just to the Companies themselves, as the relief of both, whereas the loss to the Treasury, by the latter course, will be seriously felt.

## STATE DEBT.

The funded debt of the State, as shown by Statement "J," amounts in the aggregate to the sum of \$12,436,718.68, on which the interest is to be paid. Of this sum, \$5,985,444.44 is sterling debt, on which the interest is payable in London in gold and silver. The State has available assets in entirely reliable stocks, to the amount of \$6,553,250.90, which offset an equal amount of the funded debt, leaving \$5,883,467.78, on which the interest must be provided by taxation. A large amount of indebtedness to the State on the part of various Companies and Institutions, as well as from Collectors of Taxes, and other Officers whose accounts are in arrear, may be made available by proper legislation to reduce the debt probably to the extent of \$1,500,000.00.

The debt of the State has been reduced during the fiscal year, by the sale and exchange of the stock of the Baltimore and Ohio Rail Road Company, to the amount of \$1,050,073.24.

Upon the assumption that judicious legislation will result in realizing from the mass of indebtedness to the State, above mentioned, the sum of at least one and a half millions of dollars, the real amount of debt for which the State may be said to have no reliable offset, would be \$4,383,467.78. The amount necessary to meet the interest on this sum, and gradually to diminish the principal, can be raised without embarrassing the people of the State, or any particular branch of industry, provided the taxation can be borne by all the property, wealth and capital of the State, in proportion to its true value and productiveness. If the Legislature shall succeed in accomplishing this purpose by wise enactments, the burdens which this amount of debt will entail on the aggregate of wealth in the State, will scarcely be sensible to the people. The fact that so large a portion of the productive wealth and capital of the State has hitherto escaped its due share of the burdens of taxation, is a subject to which your attention is especially invited. Nothing in my judgment can have a more paralyzing effect upon the value of property, and especially real estate, than the settled