

construction of the Baltimore & Ohio Railroad, and of the Chesapeake and Ohio Canal.

The interest which the State has to-day in the Baltimore & Ohio Railroad, and in the Chesapeake and Ohio Canal, represents the sterling debt and furnishes ample security to the creditors, to whom this debt is due, without imposing any tax to provide a sinking fund for its ultimate payment.

The State has in the Baltimore & Ohio Railroad Company and its Washington Branch Railroad, stock amounting at its face value to \$1,518,615.70.

This stock pays annually to the State dividends amounting to the sum of \$113,116.96.

The interests of the State are identified with this work, and the property interest which Maryland has in this road should be retained.

Holding these views, there is but one thing for the State to do in relation to the maturing sterling debt, and that is to have it refunded.

This can best be done by exchange. We have successfully exchanged, over eighteen hundred thousand dollars, of the debt of the State, in the past eighteen months, at three per cent. interest per annum, thereby saving annually, over fifty-four thousand dollars a year in interest.

We receive in interest from the State's investments in the Baltimore & Ohio Railroad Company, annually, a sum almost sufficient, to pay the interest on a four million loan, bearing only three per cent. per annum.

While it may not be an easy task at this moment of time, to exchange a five per cent. bond and issue instead, a bond bearing only three per cent. interest per annum, yet, within the next year money may be more plentiful; and now that the precedent has been set to the amount of nearly two millions of dollars, it might not be a difficult task to double that sum. The English capitalists, who hold a large portion of this debt, are accustomed to low rates of interest.