

land Hospital and Deaf and Dumb Loans, the greater part of which, as I have shown, are already redeemed, and the balance refunded) to the credit of the sinking fund for the redemption of the Treasury Relief Loan would make a sinking fund of \$691,000.00.

The Treasury Relief Loan becomes redeemable on the first day of July, 1888. The Baltimore & Ohio Bonds also fall due on that day.

It has been the intention of the treasury officers to take the proceeds of the Baltimore & Ohio Bonds, and apply them to the payment of the Treasury Relief Loan. There are already \$59,000.00 of the bonds of this loan in the sinking funds.

It would only require \$75,000.00, in addition to the Baltimore & Ohio Bonds, without touching the State bonds in the sinking fund to the credit of this loan to enable the treasury officers any time after the first day of July, 1888, when the proceeds of the Baltimore & Ohio bonds should be in hand, to pay off the balance of the Treasury Relief Loan now outstanding, amounting to the sum of \$441,000.00. When this shall be done there can be a reduction of one and one-half cents more in the tax rate.

Should you determine to cancel the Maryland Hospital and Deaf and Dumb Bonds now in the sinking funds, and transfer the Baltimore & Ohio Bonds to the credit of the sinking funds, for the Treasury Relief Loan, you will be enabled, to make a total reduction of three cents in the rate of State taxes for the year 1888, leaving the tax of one-quarter of one cent, for the Exchange Loan of 1886, the tax of five and one-half cents for the Defence Redemption Loan and the tax of ten cents for schools, and making a total tax of fifteen and three-quarters of a cent on the one hundred dollars, the lowest rate of taxation for Maryland in a period of twenty-five years.

In my report to the Executive a year ago, upon the fiscal affairs of our State, in presenting the question of reduction of State taxes, I stated my views, which