

1 very heartily a thorough reading of that volume, which,
2 while 't 's classified as a rare book, can be obtained
3 in Baltimore, and it is tremendously interesting and
4 valuable, the information that can be gotten from it.
5 Suffice it to say that the background of this Section
6 stems from the financial crisis of the late 40's. I am
7 talking about 1840 now, when the State was embarrassed
8 and almost defaulted upon its obligations.

9 Curiously enough, State obligations did not
10 have their genesis in the construction of schools or
11 roads or works of that nature, but rather were issued to
12 what we would now consider private corporations, namely,
13 the railroads, canals and turnpikes, and the procedure
14 was that the State would issue the bonds to the railroad.
15 Let's just say the B&O Railroad, which was one of the
16 larger holders, temporary holders of State bonds, and the
17 railroad would then take those bonds and sell them, usually
18 at a fairly steep discount, and usually in the foreign
19 market.

20 The idea was that the State, which had received
21 stock in exchange for the bonds, would be the dividend