

more money there was in the sinking fund with which to purchase the bonds of the State, the higher would be their market value.

It seemed to him that the better course would be to leave the matter to the legislature. He was willing to apply the sinking fund to the purchase of our bonds at something like *par* value, as fast as the fund was competent to that purpose. But he had no idea of anticipating the payment of our debt, so as to run up its value to fifteen or twenty per cent. above *par*. Legislation of this character was neither wise nor just. He was in favor of leaving the Legislature unfettered—to reduce the taxes when, in their discretion, they should think that the reduction could safely be made.

Mr. DONALDSON said:

The gentleman from Carroll, (Mr. Brown,) had given us some facts, he, [Mr. D.,] would give a few more facts, and he thought that all taken together would wear an aspect different from that given by the partial statement of that gentleman. It was certainly true, that six per cent. Maryland stocks were now purchased at two and a half per cent. premium, for the increase of the sinking fund. But the gentleman must remember, that for a considerable portion of our debt the State realized at the time of issuing the loans a large premium, ranging even as high as twenty per cent; nor must he forget, that for a long period, when our stocks were very much depreciated in the market, we bought for the sinking fund greatly below *par*. Thus the sinking fund has so far gained largely in the whole transaction, and has extinguished a considerable part of the public debt on most advantageous terms. It is not probable, that we shall ever lose a greater amount by the payment of premiums for our own stock, than we have gained by receiving premiums, and purchasing again at a discount, for the sinking fund. We have no right to complain of having to pay the premium we now do.

The best investment, he said, was in our own debt; and all surplusses ought to be applied, as they now are by law, to the purchase and extinguishment of that debt. The apprehensions indulged in, of an unlimited rise in our stocks, to be produced by our purchasing for extinguishment, were unreasonable. The Maryland stocks were not, and would not be, the only public securities in the market. The stocks of the United States, of New York, Massachusetts, Ohio and some other States, would furnish as safe investments as our own, and would prevent our own from rising much, if any thing, above their real value.

The gentleman from Carroll seemed to think, that we should one day have to throw the whole amount of stocks in the sinking fund at once into the market, in order to pay off the public debt.

Mr. BROWN explained, that he only meant to say, that an amount of money was to be invested annually for that fund.

Mr. DONALDSON continued. He was glad that he had misunderstood the gentleman. But the sum annually invested would make but a small impression on the stock market of the United

States. As for the re-issue of State bonds, after their purchase for the State, that was forbidden by law; all such bonds were registered, and then cancelled.

In regard to relief from taxation by a gradual reduction, which the gentleman from Frederick, (Mr. Thomas,) advocated with such zeal in preference to applying surplusses to the redemption of the principal of the debt, until the whole was extinguished, Mr. D. declared himself utterly opposed to such a course. He thought it unwise and dangerous.

If one tax law was repealed, another might be. Contests would arise between different interests, and if the work were once commenced no one could say where it would end. If one brick was taken out another would follow, and then another, until the whole structure would tumble about our heads and perhaps overwhelm the credit of the State in its ruins. Whatever are the imperfections of the present system, the people have become content under it, and it would be hazardous to agitate the question of repealing any part of it. The people now most cheerfully pay the taxes, which provide the interest of the debt, and large surplusses for the redemption of the principal. They now pay them with ease. In this state of things, we should relieve ourselves of as much of the debt as possible; for we cannot be certain that such great prosperity will remain uninterrupted, and a time might possibly occur when the payment would be found more difficult. The plan of the gentleman from Frederick, of constantly reducing taxation so as to prevent surplusses, would, of course, have the effect of indefinitely prolonging the existence of our debt, and of taxes for the payment of its interest. It seemed to him, (Mr. D.,) that it was of much greater advantage to the property holders themselves, to continue the taxes at their present amount, so that they may be entirely relieved of all taxation in the course of ten or a dozen years, than to reduce the rate of taxation by a few cents at a time, from year to year, and so greatly prolong the date of final exemption. He believed that the former policy, if considered as fixed, would add to the present value of all the property in Maryland. The sooner the whole of this debt is discharged, the better for us all. When it is discharged, a very great impulse will be given to our prosperity, and men of capital will not be deterred from coming amongst us, or embarking their means in our enterprises. Such a course, then, is demanded by our own interests. In this connection, he said that the method of stating the amount of our public debt ought to be changed, so as to exhibit to the people, how much it had been reduced in every year. At present, the same amount of debt was stated every year, and although the amount of the sinking fund is also stated, the result is not, in general, correctly understood. Only the amount of principal which has not been extinguished by the sinking fund should be stated as the existing debt, and the sinking fund should be classed as so much extinguished debt. It would then be evident to all, how rapidly we are, from year to year, paying off the principal of the debt,