

with the increment of the sinking fund, I would merely suggest the conversion of the funds into the United States five-twenties, which will keep it always at par with the currency at all events. There is no necessity I think just now, to take that money to buy sterling bonds. Times will change—we hope they will. When they do, they can be availed of at discretion, to convert them into sterling bonds.

The argument the gentleman makes that the canal is a dead loss and might therefore very well be disposed of, is not the argument of the friends of that work, or those interested in that work, by reason of its locality. I myself believe that it is a dead loss, and unproductive to the State, and injurious in many respects. I think it ought to be sold, and can be sold advantageously, and converted into an increment of the sinking fund.

The gentleman says as a question of public policy, that it is not for the interest of the State to part with the control of the Baltimore and Ohio Railroad. I beg him to remember that she has a mere nominal control in that work; and contrasting that work, over which she has a merely nominal control, with the Chesapeake and Ohio Canal, over which she has absolute control, the gentleman will see that the individual control of the Baltimore and Ohio Railroad Company has made it prosper and inured to the public benefit, while the canal has become a dead loss under the control of the State interest.

Mr. MILLER. Will the gentleman tell me how many directors there are in the Baltimore and Ohio Railroad Company?

Mr. SCHLEY. I do not know how many under the increase of directors. There were ten when I was Commissioner of Public Works, a few years ago; and the city of Baltimore had eight. The two combined would have a controlling influence; but the difficulty was that you never could combine the State's agents with the directors of the city of Baltimore. They never would agree upon the same line of policy; and it is very probable that if at any time there had been such a combination upon the part of the directors of the city of Baltimore with the policy laid down by the Commissioners of Public Works, that would have crippled the railroad company as effectually as it has crippled the canal. The State's supposed control over the Baltimore and Ohio Railroad is one reason, I apprehend, why its stock is not quoted in Wall street. I think that is a very good reason. The speculators, the dabbles in stocks, have no confidence in a company which is under the influence of the State; and they will not therefore deal in the stock as freely as in other stocks. I presume, and it is the opinion of many financial gentlemen well informed upon this subject, that if the State were to offer to sell her interest in this work, it would then become an object of

speculation among the Wall street men, and the stock would immediately rise; because it is now depressed and kept out of the market for that reason.

I do not see, therefore, in the gentleman's argument any good reason for the conclusion he arrives at. As a question of public policy, it only concerns the State as to the value of the investment. The control of the Baltimore and Ohio Railroad is a nullity; and the control over the Chesapeake and Ohio Canal has destroyed it. If she can dispose of these interests, I think she can dispose of the investment advantageously, as I have already suggested, by converting them into United States bonds. I think it is manifestly her interest to do so, because the proceeds of the five-twenty bonds being paid in gold, will at all times enable the State to pay her interest on the sterling bonds. I think that the policy is a wise one to sell and get rid of the interest of the State in works of internal improvement.

Mr. MILLER. Some of the remarks made by the gentleman from Frederick (Mr. Schley) have some force in them. Still it strikes me that he has admitted in his argument that which is a good reason why the State should not part with its interest in those works. If the fact that the State holds a large amount of interest in the Baltimore and Ohio Railroad has prevented its stock from becoming a matter of speculation in Wall street, and coming before the stock board there, I think it is working and will continue to work a great good to the State. What will be the result of selling that interest? As soon as the State parts with its interest in that road, you will find the entire capital stock of this company bought up by the speculators of New York, and controlled by New York capital and New York capitalists, and they will then have the entire management and direction of the road, and can operate it, not for the interest of the city of Baltimore or of the State of Maryland, but for the interest of the other routes and corporations, in which they perhaps have a greater interest, and for the benefit of New York city, rather than of the State of Maryland. That has been the great and forcible argument urged against all attempts made to induce the Legislature, even under our present Constitution, to part with that property. I think that the very fact that the State has that interest should induce us to keep it and hold on to it, to prevent this stock from becoming a fancy stock transferred to New York city instead of being held in the State of Maryland.

The gentleman has said that we can invest the proceeds of this sale in five-twenty bonds, the interest of which is payable in gold, and can pay our sterling interest in that way. The gentleman forgets that even at the last Congress a proposition was made to change the payment of those five-twenty