

bonds, which fall due in 1865. From all that I can learn, the canal has not the means of paying; and if the canal does not pay the probability is that that debt will be a charge upon the State treasury.

Those bonds are sterling bonds, and must be paid in sterling exchange. Now what will be the result? At the present rate of exchange it will cost the State to pay those bonds something like \$3,000,000, and then the State will have to come back under her mortgage upon the canal. And the canal will be forced to sell out in order to satisfy this demand, or this State will have this amount of debt accumulated.

Mr. STIRLING. Has not nearly all that stock been absorbed in the sinking fund?

Mr. NEGLEY. No, sir.

Mr. STIRLING. What amount has been?

Mr. NEGLEY. \$300,000.

Mr. STIRLING. I proposed to reserve that canal from sale, because the sale of the State's interest in the Baltimore and Ohio railroad company would pay that debt. Besides that, the Tide Water canal got a bill passed through the legislature last winter, by which they were enabled to renew that debt, and consequently it will not be due next year.— But I am in favor of selling the State's interest in the railroad and paying off that debt, whether it can be renewed or not.

Mr. CLARKE. These bonds can now be sold to extinguish this debt. In other words the section provides that the amount for which the State's interest shall be sold shall be payable in her own bonds. But if the State does not sell but holds on to her interest in this canal, then she must pay these bonds in sterling exchange, which will cost the State a large amount of money. If you make this sale, you realize at once so much with which to extinguish the public debt. Therefore I am unwilling to except this canal.

Mr. STIRLING. There is a manifest distinction created by this section between the railroad company and the canal. It provides that you shall exchange the interest in the railroad for an equal amount of State bonds; that is, dollar for dollar. But in regard to the canal it merely provides that the interest in that shall be sold in such a manner that the proceeds can be invested in the State debt.

Mr. CLARKE. There is no sale for money; the party who buys pays in State bonds.

Mr. STIRLING. That makes no difference.— When you say that the exchange shall be made for an amount of bonds equal to the proceeds of the sale, it amounts simply to this: that if you sell \$10,000,000 worth of property for \$1,000,000 you get only \$1,000,000 of the State debt.

Mr. CLARKE. If the bond-holders know that this money is going to be paid on the first of January, will not the bonds go up to the value of the debt, and will that not really amount to an exchange?

Mr. STIRLING. There are no bonds due immediately.

Mr. CLARKE. The statement of the treasurer is that the bonds are due in 1865.

Mr. STIRLING. That is of the Tide Water canal company.

Mr. CLARKE. That is the company to which I am alluding. The gentlemen from Baltimore city (Mr. Stirling) moves to exempt the Susquehanna and Tide Water canal company from sale. I object to that for the reason I have given.

Mr. STIRLING. I understand now what the gentleman means. I do not understand how the value of the bonds of the State is to be increased by the fact that this debt is to be paid off. If you sell the productive interests of the State, you will get enough to pay it off. It is only a million of dollars. I believe myself that it might be as well financially to sell the Tide Water Canal. But there is no necessity for selling it, while it involves the same question of policy as the sale of the other canal. It involves such considerations as renders it not a fit subject for us to take up now.

Now where it is a mere question of money, just so much stock worth so much money, then we can easily act upon it. But where it involves the interests of the people of the counties through which it runs, and is not a mere question of finance, then where is the policy of acting upon it in the constitution? A financial officer has no more or better judgment about a question affecting the interests of the people, than has anybody else. He can understand the financial interests of the case, but he cannot understand the general interests affecting the people. I do not know so much about the Tide Water Canal; the gentleman can move to strike it out, if he chooses. I put it in because it stood upon the same footing with the others.

Mr. NEGLEY. This amendment of the gentleman from Baltimore city (Mr. Stirling,) is too broad for the very reason assigned by the gentleman from Prince George's (Mr. Clarke.) There are a million of dollars of these bonds due on the first of January next, and the State of Maryland is bound to pay them, or renew them at an immense sacrifice. She has a mortgage on the Tide Water Canal. But if the Tide Water Canal knows that the State of Maryland is about to sell these bonds and go back on the mortgage, it will make arrangements to take up these bonds, without the State of Maryland losing one cent. Otherwise you would have to take about \$3,000,000 and go to London and liquidate these bonds, then institute a suit against the Tide Water Canal to recover the amount of the State's interest. I understand that the State's interest in the Tide Water Canal can be sold for four millions of dollars. The stockholders of that canal will say—"We will not stand this sacrifice; we will make arrangements to buy