

of its entire interest in the works of internal improvement, for the sum of \$7,190,000 of bonds, would still leave a debt of \$9,186,657.95.

The debt created for the use of the Baltimore and Ohio and Washington rail roads, has never been a burden on the treasury. So far from it, the Baltimore and Ohio Rail Road Company has not only paid the interest upon it, but has also paid into the Treasury a sum beyond. During the last year, one of almost unexampled tightness in monetary affairs it paid into the Treasury the sum of \$43,315.17 for dividends upon stock, and capitation tax on passengers, besides paying the interest upon the bonds issued by the state for its use, including the \$500,000 issued for subscription to the stock of the Washington branch. If the interest of the state in these works be sold, of course the income from the Baltimore and Ohio Rail Road Company remains. It was stipulated in the act of the last session, that if that held in the Baltimore and Ohio stock should be disposed of at the sum mentioned in it, the sum of \$30,000 annually should be reserved to the state as a revenue in lieu of the capitation tax on the Washington branch. If a similar provision be made in any bill which may be adopted at this session of the Legislature, then the state will have annually \$30,000 of the sum now appropriated for the purposes of education.

In this view of the matter, which is believed to be correct, so far from the state being benefited by such a sale, it would only be deprived of its interest in these works, without decreasing, one cent, the present rate of tax. It has been shown that the existing tax laws, if enforced throughout our entire limits, will not yield more than \$400,000 annually, and this sum would not suffice to pay the interest upon the debt which would still remain.

Instead of a sale on such terms, it would be well to enquire whether one could not be effected in a manner which would obviate many of the objections to the plan of last year, and at the same time diminish our financial difficulties. If the treasurer was authorized to exchange for each bond of the state, a share of stock in the respective companies, at such rate as the Legislature may prescribe, there would be, doubtless, many, who would avail themselves of the provisions of such an act. The advantages to the state and to the people, as well as to the bond holders, from such a plan of disposition, are obvious. By the existing laws, no sale of the interest of the state in any of the works, can be effected unless the whole of it be sold to the same purchaser. This very feature may have prevented the sale of any part of the interest of the state in any of the works, inasmuch as it may have been impossible to find bond holders, to an amount equal to that fixed by the Legislature, as the value of any one of the works, willing to engage in such a speculation. But if the treasurer was authorized to dispose of this interest in shares, there might be found bond holders who would be willing to commutate their bonds into stock of the several companies; and thus, to the amount of such commutation, lessen our bond debt. The division of the interest in each work into shares, is in consonance with the ordinary dealings of individuals. Hardly, if ever, are the stocks which an individual holds, sold as an entirety, but are disposed of so as to create competition, and afford an opportunity to those of limited means, to become purchasers to the extent of their ability. It would seem to be the