

be beyond them. Besides, it must be remembered, that this extinction of our own debt by purchasing with our surplus revenue, goes on so gradually, that the operation is not noticed by the public. A judicious financial skill, on the part of the Treasurer will, by closely watching the market, enable him to purchase at times, when it will best subserve the pecuniary interests of the State.

Besides, he is not confined exclusively to the purchase of 5 per cents. If he finds, at any time, they should rise to a degree not to promote the interest of the State by their purchase, he can withdraw from the market and redeem such portions of the larger amount of the debt now due, as he will be enabled to do, from the surplus revenue at his command.

In a more practical view, the Committee will endeavor to show how greatly the State and the tax-paying citizens will gain by an early payment of the principal of the debt, or, which is the same thing, the great loss they will sustain if they do not discharge it.

And first, for the purpose of showing the disadvantages to the people of this State, by postponing the payment of the debt until it arrives at maturity, the Committee will suppose that a debt of the State, bearing 5 per cent. interest, does not mature until 1890, and that the amount of that debt is \$500,000,000. This debt, then, has 38 years to run before the period of its redemption arrives. If it is not paid until that period, the account would stand thus :

Amount of principal of that debt,	\$5,000,000
To which is to be added the annual interest for 38 years, at 5 per cent., which is	9,500,000
Making	\$14,500,000

It would, therefore, take this amount of \$14,500,000, which would have to be raised by taxation on the productive industry of the people, to pay a debt of 5 per cent. interest stock, of the amount of 5,000,000, if not paid until maturity. It will be seen, of this amount of \$14,000,000, the enormous sum of \$9,500,000 is for interest, nearly equal to double the amount of the principal.

Now, for the purpose of showing what the tax-paying people of the State will save by paying off the debt at an early day, the following view of the case is presented :

The Committee have suggested what a debt of \$5,000,000—for this is about the amount of the debt for which it is necessary to levy taxes upon the people of Maryland—can be paid off in less than 10 years, provided the amount now annually appropriated to the extinguishment of the principal, be still devoted to that purpose.

A statement, carefully prepared by the Treasurer, shows that by appropriating to the increase of the sinking fund, \$300,000 of our annual surplusses and investing the increment of the sinking fund judiciously, the whole debt of \$5,000,000 can be paid off in 9 years.