

interested that these preferred bonds should be discharged, in order that they may derive from the revenues of the Canal some relief from the heavy taxation which they have borne for years on account of the debts incurred to develop the resources of the western section of the State.

STATE DEBT.

The total amount of the public debt of the State, as shown in Statement "J," was at the close of the fiscal year \$11,372,677.28, of which \$5,334,222 23 is sterling debt, on which the interest is payable in coin in London.

Of this aggregate the bonds issued for the House of Correction, and stock issued for the State Normal School and other stocks and bonds detailed in Statement "E," amounting in the aggregate to \$446,855.84 are now held by the Treasurer for the Sinking Fund. I recommend that authority be given to the Treasurer to destroy all of these bonds and stocks; and that the taxes to pay interest on them, as well as on the \$100,000.00 of Southern Relief Bonds which were redeemed in 1874, may cease to be levied. The necessary amount has been provided and transmitted to London, since the close of the fiscal year, to redeem the 67,500 pounds sterling bonds issued to the Tide Water Canal Company. This loan is rated in currency in the debt statement, at \$300,000.00. This amount may therefore be subtracted from the statement of the sterling debt. When all these amounts are deducted, the public debt upon which interest is to be provided, will amount to \$10,625,821.44.

The State has productive assets to the amount of \$4,787,205.20, now available to offset so much of the public debt, leaving the sum of \$5,838,616 24, on which the interest will have to be provided by taxation. There is also a considerable amount due from collectors and other officers and from corporations which when collected should be used in further extinguishment of the public debt. It is hoped that no increase of the public debt will be authorised by the Legislature at the present session.

STATE LEVY.

Statement "K," exhibits the State levy for all purposes for the year 1875 in the several counties and the City of Baltimore amounting in the aggregate to \$868,873.64. It will be noticed that the assessable basis of the State has largely decreased since 1867, and from the lapse of time since the last assessment, it is very generally believed that a new one ought to be provided for, at the present session.