reduction of twenty cents on the hundred dollars in the rate of taxation. Four hundred & forty thousand dollars is however still due on account of that subscription, and to that subject I wish to call upon particular attention. This sum must be paid and in a very short time. Besides that his law thus requires it, the completion of the road is an important point of credit upon it and makes it the interest of the City and of every citizen to pay this debt promptly. This can be done in but one of two ways either by continuing the present rate of taxation and placing the surplus of the revenue at the disposal of the Commissioners of Finance for this purpose or by selling the stock of the City in sufficient amounts to accomplish it. The monetary derangements of the country have depressed the market value of all stocks. In addition to this came the vast amount of City stock brought suddenly into the market by means of the stock orders of the Balto & Ohio rail road Co and by this means held at auction has made it impossible to sell the stock of the City except at a loss of 25 or 20 per cent. We absolutely certain that should a considerable quantity more of that stock be poured upon buyers, it would be depressed much more, if not undue utterly unsaleable.

I have felt great anxiety to avoid this result & now earnestly recommend that the present rate of taxation be retained and the surplus devoted to the payment of the rail road debt, and that a permanent city debt at great sacrifice and a heavy annual interest be thus avoided. Aware of my design to recommend this policy and of opposing sale at a ruinous sacrifice the law upon the sale of stock too heavy to be met but as a matter of necessity the Commissioners of Finance adopted a course explained to the Council at their recent session but made the subject of further enquiry by one branch of the Council, notwithstanding that explanation. I refer to the receiving advance of money upon stock held by the Commissioners for sale at the earliest tolerable market price provided the necessity for it should not be superseded by the adoption of the course I have indicated on the part of the Council.

The Commissioners of Finance have received already $65.000 under these circumstances and should have proceeded to have raised the amount of the whole probable surplus of the present year to meet

the requisites of the rail road Company in anticipation of that surplus, but that the renewed call for information by one branch of the Council has led them to fear that they have not correctly understood the late ordinance of the Council on that subject as to City. They have ceased to act under that ordinance. The consequences are serious. They cannot sell any considerable quantity of stock at prices which they feel at liberty to take and the rail road Company is likely to be embarrassed by the want of funds for which it has relied upon the City. I must beg of the City Council to decide prompt & definitive action on this subject.

Upon well settled principles that the course begun by the Commissioners of Finance on the commencement of a reduction of the debt of the City should be followed up even without an increase of taxable property within the City & particularly if the investments in internal improvement should yield a moderate profit in a very short time we should be in a situation to reduce our rate of taxes and still reduce the debt in a rapid ratio. Before many years we should be free from a City debt and without City taxation should be in the receipt of an ample revenue.

If the investments of internal improvements yield an average of four per cent per annum with the present rate of taxation without taking into view the probable increase of taxable property in the year 1888 the whole debt can be paid & a surplus be left of $300.000 and an increase of $90.000 independently of any taxation upon property.

Should these investments pay 6 per cent then in 12 years we shall be without debt with an income of $216.000 without tax and above the current expenses. The probability is that the taxable property will increase at the rate of a million per annum at least which of course will hasten this desirable consummation. Under the course above indicated and if that economy be pursued which is may be demonstrated that $260.000 may be devoted to the extinguishment of the debt of the City after the present year by whatever process of extinguishment shall then be deemed advisable to adopt.

This leads me to a subject of much public interest I mean the stock orders of the Baltimore &