

Baltimore Morning Herald
January 22, 1901

Debt is Decreased by Two Million

Finance Commissioners Report an Improved Condition of the City's Finances—Western Maryland's Interest Expected to Be Paid—Banks Offer Increased Interest

During the year 1900 the municipal sinking fund was increased by \$2,018,831.43. Thereby the gross debt of the city was reduced to \$40,003,882.92 and the net debt to \$19,270,455.62. Thereby, also, a smile appeared upon Mayor Hayes' face yesterday and he was happy.

At the meeting of the finance commissioners in the morning these figures were presented to his honor. In addition, he was informed that the municipal strong box contains at present \$20,733,427.33 worth of productive securities and that the city debt was increased last year by the issue of but \$868,700 worth of stock. Thus it happens that Baltimore is richer today by \$1,155,131.43 more than was in the treasury January 1, 1900.

This increase is due to a number of causes. The premium on the funded stock sold last summer brought a large sum. The interest on the deposits at the municipal depositories brought more and the departmental surpluses yielded \$495,675.35; and finally there was the sum received through the Western Maryland Railroad Company's payment of the full interest upon the city's holdings.

By an ordinance passed in 1879—which Mayor Hayes, in his inaugural address, called “an iniquitous measure”—the finance commissioners are required to pay from the sinking fund whatever portion of the annual interest the railroad fails to meet. Heretofore this has amounted to about \$112,000 a year. The company, however, claims that from now on it will pay in full each year. In any case, the sinking fund will not bear the burden after 1902, as in that year the remainder of the holdings affected by the ordinance of 1879 will be refunded. Should the company default thereafter the city treasury will be the loser instead of the sinking fund.

The finance commissioners yesterday decided to employ Mr. Clayton C. Hall, an expert accountant, to examine their books and count the securities in their possession.

From the National Bank of commerce and the Drivers and Mechanics' National Bank Register Numsen received offers of 2-1/2 percent interest upon city deposits. It was decided to postpone acceptance until the five banks which now pay 2 percent are heard from. January 15 a similar offer from the First National Marine banks was accepted.

At the commissioners' meeting the mayor's discovery that the departmental surpluses should not be turned into the sinking fund was not discussed. Last week the law department refused to submit an opinion regarding His Honor's view.